

MID-SESSION REVIEW OF THE BUDGET FOR FISCAL  
YEAR 2017

COMMUNICATION

FROM

THE DIRECTOR, THE OFFICE OF  
MANAGEMENT AND BUDGET

TRANSMITTING

A SUPPLEMENTAL UPDATE OF THE BUDGET FOR FISCAL YEAR  
2017, PURSUANT TO 31 U.S.C. 1106(a); PUBLIC LAW 97-258, SEC.  
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# MID-SESSION REVIEW

BUDGET OF THE U.S. GOVERNMENT

**FISCAL YEAR 2017**  
OFFICE OF MANAGEMENT AND BUDGET

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FISCAL YEAR 2017  
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**HOUSE DOCUMENT NUMBER 114-454**



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

THE DIRECTOR

July 15, 2016

The Honorable Paul D. Ryan  
Speaker of the House of Representatives  
Washington, D.C. 20515

Dear Mr. Speaker:

Section 1106 of Title 31, United States Code, requests that the President send to the Congress a supplemental update of the Budget that was transmitted to the Congress earlier in the year. This enclosed supplemental update of the Budget, commonly known as the Mid-Session Review, contains revised estimates of receipts, outlays, budget authority, and the budget deficit for fiscal years 2016 through 2026.

Sincerely,

A handwritten signature in black ink, appearing to read "Shaun Donovan".

Shaun Donovan  
Director

Enclosure

Identical Letter Sent to The President of the Senate



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### GENERAL NOTES

1. Unless otherwise noted, years referenced for budget data are fiscal years, and years referenced for economic data are calendar years.
2. All totals in the text and tables include both on-budget and off-budget spending and receipts unless otherwise noted.
3. Details in the tables and text may not add to totals due to rounding.
4. Web address: <http://www.budget.gov>



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## SUMMARY

This Mid-Session Review (MSR) updates the Administration's estimates for outlays, receipts, and the deficit for economic, legislative, and other changes that have occurred since the President's 2017 Budget (Budget) was released in February. The 2016 deficit is now projected to be \$600 billion, \$16 billion lower than the \$616 billion deficit projected in February. As a percentage of gross domestic product (GDP), the 2016 deficit is projected to be 3.3 percent, equal to the February projection. Going forward, the MSR estimates that the deficit will fall to 2.3 percent of GDP in 2017 and remain below 3 percent of GDP through the end of the 10-year budget window. The MSR also shows that the Budget's policies achieve the core goal of fiscal sustainability by stabilizing Federal debt as a share of the economy and putting it on a declining path.

### BUILDING ON OUR ECONOMIC GROWTH AND PROGRESS

When the President took office in January 2009, he faced an economy shrinking at its fastest rate in over 50 years. Nearly 800,000 Americans lost their jobs in that month alone. The President and the entire Administration acted quickly to jumpstart the economy and create jobs through the Recovery Act; rescue the auto industry from near collapse; fight for passage of the Affordable Care Act (ACA) to provide quality, affordable insurance coverage to millions of Americans and help slow the growth of health care costs; and secure the Dodd-Frank Wall Street Reform and Consumer Protection Act to help prevent future financial crises.

Under the President's leadership, the U.S. economy has become an engine of job growth and economic expansion, outpacing other advanced economies in recovery from the Great Recession. In total, American businesses have added 14.8 million new jobs since February 2010, including 843,000 new manufacturing jobs—the first sustained job growth in the sector since the 1990s. Since October 2009, the unemployment rate has been cut by more than half. The President has made the largest investments in clean energy in American

history, and America is less reliant on foreign oil than at any point in the previous four decades. Under the ACA, health care prices have risen at the slowest pace in 50 years, while the rate of uninsured Americans has dropped to its lowest level on record.

Even as the Administration made critical investments to support economic growth, it also succeeded in putting the Nation on a sound fiscal path. Since 2009, Federal deficits have fallen by nearly three-quarters as a share of the economy—the most rapid sustained reduction since just after World War II. Actual and projected deficits have fallen due to three main factors: economic growth; deficit reduction measures, including restoring Clinton-era tax rates on the highest-income Americans and restraint in discretionary spending; and exceptionally slow growth in health care costs, due in part to the health reforms contained in the ACA (see text box).

To further strengthen America's long-term fiscal outlook and the economy, the Budget proposes \$2.8 trillion of deficit reduction over 10 years, from health, tax, and immigration reforms, and other proposals. It includes roughly \$380 billion of health savings that grow over time and build on the ACA with further incentives to improve quality and control health care cost growth. The Budget achieves more than \$900 billion in deficit reduction from reducing tax benefits for high-income households. It also reflects the President's support for commonsense, comprehensive immigration reform, which the Congressional Budget Office has estimated would reduce the deficit by about \$170 billion over 10 years and by almost \$1 trillion over two decades.

The policies in the Budget show that investments in growth and opportunity are also compatible with putting the Nation's finances on a strong and sustainable path. The MSR demonstrates that, under the Budget's policies, deficits remain below three percent of GDP while debt is stabilized and put on a declining path for the next decade – key measures of fiscal progress.

### MEETING OUR GREATEST CHALLENGES: HEALTH REFORM'S SIGNIFICANT, POSITIVE IMPACT

When the President took office, he immediately identified health care costs as one of the major drivers of the Nation's long-term fiscal challenges. In his Address to a Joint Session of the Congress in February 2009, he called for health reform as "a step we must take if we hope to bring down our deficit in the years to come." In the months that followed, the President fought to enact comprehensive health care reform even as the Administration took aggressive actions to bolster the economy and help Americans get back to work.

Since the President signed the Affordable Care Act (ACA) into law in 2010, there has been significant progress toward providing all Americans with quality, affordable health care and slowing health care cost growth. Thanks to the ACA, 20 million more Americans have health insurance, reducing the uninsured rate to 9.1 percent—the lowest level on record. These gains—along with reforms that improved coverage for all Americans—are improving access to care, health, and families' financial security. At the same time, the ACA's reforms to the health care delivery system are contributing to slower growth in health care costs and improving health care quality.

We have seen prolonged slow growth in per-beneficiary health care spending in both private insurance and public programs in recent years. In 2014, in both Medicare and private health insurance, per-enrollee spending grew by less than one-third the rate seen over the preceding decade, adjusting for inflation. While some of the slowdown can be attributed to the Great Recession and its aftermath, there is increasing evidence that much of it is the result of structural changes, including the reforms enacted in the ACA.

The health care cost slowdown is already yielding substantial fiscal dividends. Based on current budget estimates, aggregate projected Federal health care spending for 2020 has decreased by \$224 billion above and beyond the deficit reduction directly attributed to the ACA when it was passed. This is a reduction of 15 percent in projected Federal health care spending in 2020. Since the 2009 trustees' report, the insolvency date for Medicare's Hospital Insurance Trust Fund has been pushed back 11 years, an improvement due in large part to Medicare payment reforms enacted in the ACA.

Health care quality is also improving under the ACA. Due in part to incentives created by the law, the number of hospital acquired conditions, such as ulcers, infections, and avoidable traumas, declined by 17 percent from 2010 to 2014, representing an estimated 87,000 lives saved and \$20 billion in cost savings. A sharp reduction in the hospital readmission rate for Medicare patients has also resulted in a cumulative 565,000 fewer readmissions through May 2015.

These effects will grow as the Center for Medicare and Medicaid Innovation, which was created by the ACA, tests and scales up additional alternative payment models that incentivize quality and efficiency. But, even the progress made to date marks a significant achievement in implementing reforms to our health care system that contribute to slowing the growth in health care costs, while at the same time providing affordable, high-quality coverage to millions more Americans.

### THE PRESIDENT'S 2017 BUDGET: MEETING OUR GREATEST CHALLENGES

Over the last seven years, the Administration and the American people have worked to rebuild our economy and ensure that it is the strongest, most durable economy in the world. The Budget builds on that progress. It lays out a path to meet our greatest challenges

and secure a future that embodies America's values and aspirations: a future of opportunity and security for all of our families; a rising standard of living; and a sustainable, peaceful planet for our children. It focuses on making sure our economy works for everybody, not just those at the top. It focuses on choosing investments that not only make us stronger today, but for decades to come.

As the American people work to continue our economic and fiscal progress, it is critical that the Federal Government support, rather than impede, economic growth. That means ending the harmful spending cuts known as sequestration, which limit the ability to invest in the building blocks of long-term economic growth, like research and development (R&D), infrastructure, job training, and education. In October 2015, the President worked with congressional leaders from both parties to secure the Bipartisan Budget Act of 2015 (BBA), which partially reversed harmful sequestration cuts slated for 2016 and 2017. Because of the sequestration relief secured in the BBA, the President and congressional leaders were able to come together to invest in many of the key priorities from the President's 2016 Budget that will help the economy and middle-class families, including research, job-training, early learning, clean energy, and manufacturing.

The 2017 Budget builds on the achievements secured for 2016. It makes critical investments in our domestic and national security priorities while adhering to the discretionary funding levels agreed to for 2017 in the BBA. Still, not fully reversing sequestration in 2017 hinders the ability to make needed investments that are critical to building durable economic growth in the future. For that reason, the Budget puts forward paid-for mandatory investments in R&D, education and other areas that are critical to building that growth and maintaining America's edge as the leader in innovation. The Budget also finishes the job the past two bipartisan agreements started by preventing the return of harmful sequestration funding levels in 2018 and beyond for both defense and non-defense spending, replacing the savings by closing tax loopholes and reforming tax expenditures, and with smart spending reforms.

The Budget makes significant investments to make technology work for us as we strive to meet the Nation's biggest challenges. It increases investment in our transition to climate solutions like clean energy, which will help to grow the economy and create new jobs. It invests in a new, sustainable transportation system that speeds goods to market while reducing America's reliance on oil, cuts carbon pollution, and strengthens our resilience to the effects of the changing climate. It invests in medical research to help develop treatments and cures

that have the potential to save millions of lives. It also provides critical funding to ensure that R&D keeps us on the cutting edge from manufacturing to space exploration to agriculture.

The Budget makes investments to ensure that if you work hard, you have a chance to get ahead and ensure a better future for your children. It invests in education, from our youngest learners to those striving to complete college. It invests in job training to help workers get the skills they need to secure better paying jobs, updates worker benefits to reflect today's workforce and economy, and calls for a higher minimum wage and expanded working family tax credits. The Budget also takes new steps to reduce poverty and reinvigorate distressed communities. It builds on the success of the ACA to improve Americans' health with investments in mental health treatment and treatment for opioid use disorders. It supports criminal justice reform to break the cycle of poverty, criminality, and incarceration that traps too many Americans and weakens communities. The Budget also reforms the Nation's immigration system to make American society safer and more just, and to boost economic growth.

Economic growth and opportunity can only be achieved if America is safe and secure. The Budget provides the resources to address security threats wherever they arise and continue to demonstrate American leadership around the world. It increases support for our comprehensive strategy to destroy the Islamic State of Iraq and the Levant (ISIL), our efforts to counter Russian aggression, and our work to defend the Nation from cyber threats. It sustains and builds the strength of our unmatched military forces. Because they are essential to our national security, the Budget also continues to advance the Administration's development and democracy initiatives to reduce extreme poverty, encourage broad-based economic growth, and support democratic governance and human rights. It also makes investments to ensure that our men and women in uniform get the support they have earned to succeed and thrive when they return home.

The Budget includes investments to continue driving the President's Management Agenda by improving and modernizing the services the Federal Government provides to the American public; leveraging the Government's buying power to bring more value and efficiency to its

use of taxpayer dollars; opening Government data and research to the private sector to drive innovation and economic growth; promoting smarter information technology; modernizing permitting and environmental review processes; and, attracting and retaining the best talent in the Federal workforce.

The Administration urges the Congress to enact appropriations that are consistent with

the bipartisan agreement reached last fall; fully support economic growth, opportunity, and our national security priorities; and are free of problematic ideological provisions that are beyond the scope of funding legislation. The Administration also urges the Congress to swiftly pass a bipartisan bill that provides emergency supplemental funding to protect the American people from the Zika virus.

**Table 1. CHANGES IN DEFICITS FROM THE FEBRUARY BUDGET**  
(In billions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals
2017 Budget deficit .....	616	503	454	549	534	552	660	677	650	741	793	
Percent of GDP .....	3.3%	2.6%	2.3%	2.6%	2.4%	2.4%	2.8%	2.7%	2.5%	2.7%	2.8%	
Enacted legislation and policy changes:												
Enacted legislation <sup>1</sup> .....	*	*	-*	-*	-*	-*	-*	-*	-*	-*	-*	
Emergency supplemental appropriations .....	*	1	*	*	*	*	.....	.....	.....	.....	2	2
Debt service .....	*	*	*	*	*	*	*	*	*	*	*	1
Subtotal, enacted legislation and policy changes .....	*	1	*	*	*	*	*	*	*	-*	*	2
Economic and technical reestimates:												
Receipts .....	59	11	-17	8	36	50	54	62	68	75	90	88
Outlays:												
Discretionary programs .....	-31	7	3	1	-1	1	4	7	8	9	9	11
Mandatory programs:												
Premium tax credits and cost-sharing reductions .....	-6	-16	-28	-34	-31	-29	-31	-33	-34	-36	-37	-137
Social Security .....	-12	-19	-23	-25	-26	-27	-25	-23	-19	-16	-14	-118
Medicare .....	-3	-7	-9	-9	-8	-7	-7	-8	-7	-13	-13	-39
Outer Continental Shelf receipts .....	1	1	1	2	2	1	2	2	2	2	7	16
Supplemental Security Income .....	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-11
FHA-Mutual Mortgage Insurance Capital Reserve .....	*	*	1	1	1	1	1	1	2	2	2	3
Other <sup>2</sup> .....	-17	-4	5	-1	2	-*	*	-1	2	3	3	2
Subtotal, mandatory programs .....	-38	-45	-54	-68	-63	-63	-63	-63	-58	-61	-59	-293
Net interest <sup>3</sup> .....	-7	-37	-56	-64	-71	-77	-83	-89	-94	-98	-102	-304
Subtotal, outlays .....	-76	-75	-107	-131	-134	-139	-141	-145	-143	-151	-152	-586
Subtotal, economic and technical reestimates .....	-16	-63	-124	-123	-99	-89	-88	-84	-76	-76	-62	-498
Total, changes .....	-16	-63	-123	-123	-98	-89	-88	-84	-75	-76	-62	-496
Mid-Session Review deficit .....	600	441	330	427	436	463	572	593	575	665	731	
Percent of GDP .....	3.3%	2.3%	1.7%	2.1%	2.0%	2.1%	2.4%	2.4%	2.2%	2.5%	2.6%	

Note: positive figures represent higher outlays or lower receipts.

\*\$500 million or less.

<sup>1</sup>Includes outlay and receipt effects.

<sup>2</sup>Includes change in allowance for future disaster costs.

<sup>3</sup>Includes debt service on all reestimates.

## ECONOMIC ASSUMPTIONS

This Mid-Session Review (MSR) updates the economic assumptions published with the President's 2017 Budget in February, which used information available as of November 2015. The Budget forecast projected Gross Domestic Product (GDP) growth to exceed its long-run potential growth rate over the next few years, before settling back down to that long-run growth rate. The Budget forecast also expected that the unemployment rate would continue to decline through late 2016 and slowly rise from there to the Administration's estimate of the non-accelerating inflation rate of unemployment (also known as the NAIRU). Inflation measured by the Consumer Price Index for all Urban Consumers (CPI) was expected to gradually increase from its near-zero rate of 2015 to a rate consistent with the target of the Federal Reserve's Federal Open Market Committee (FOMC). Accordingly, both short- and long-term interest rates were projected to slowly increase over the course of the forecast interval. Based on information available as of the beginning of June, the Mid-Session Review forecast is qualitatively consistent with the Budget forecast, but there are some quantitative differences in both the short run and the long run. Growth in output and productivity in the first quarter of 2016 was more modest than had been anticipated, while the labor market has generally been strong. This forecast takes into account these near-term dynamics, as well as other factors that have altered the economic landscape since the Budget forecast was finalized last November.

Since the Administration took office in 2009, the economy has made considerable progress. Real GDP in the first quarter of 2016 was 15.0 percent higher than at the end of the Great Recession in the second quarter of 2009 and 10.2 percent higher than at the business cycle peak in the fourth quarter of 2007. The unemployment rate peaked at 10.0 percent in October of 2009, but it had fallen by more than half, to 4.9 percent by June 2016. In the early months of 2009, the economy was hemorrhaging jobs at a rate exceeding 800,000 private sector jobs per month, but from early 2010 to June 2016, private sector employers added 14.8 million new jobs. The continuing

improvement in the labor market has started to feed into higher wages. Real average hourly earnings were up 0.8 percent in May relative to the end of 2015 and 1.4 percent compared with a year earlier.

The Administration's policies have helped foster the economic recovery and ongoing growth. In particular, the American Recovery and Reinvestment Act (ARRA) was vital in putting Americans back to work and arresting the decline in output taking hold during the depths of the global financial crisis. Additional actions, such as the Cash-for-Clunkers program, the temporary payroll tax holiday in 2011 and 2012, and extended emergency unemployment compensation, also had positive impacts.

In spite of these efforts, the recovery was impeded by a series of unnecessary and avoidable fiscal tightening episodes, such as across-the-board cuts that took hold in 2013 under sequestration and the shutdown of the Federal Government that occurred in October of that year. Such events have introduced an unhelpful fiscal drag on the economy. The President and congressional leaders from both parties have, however, worked together to reverse some of these negative effects. The Bipartisan Budget Act of 2015 and the associated Consolidated Appropriations Act of 2016, among other things, avoid some of the cuts under sequestration-related reductions in the discretionary caps and suspend the statutory debt limit until March 2017. Based on analysis by the Congressional Budget Office (CBO), the Council of Economic Advisers has estimated that these measures will add 340,000 jobs in 2016 and a total of 500,000 job-years over 2016 and 2017.

Since the Budget forecast was finalized, the early part of 2016 saw a number of headwinds that may have contributed to the relatively modest growth in the first quarter. Stock markets were especially volatile early in the year, as many investors contended with concerns about the state of the world economy and slow, or even negative, growth in a number of large emerging economies. Domestic productivity growth also remained below its long-run average rate.

Despite this slow start, GDP growth is expected to gradually pick up in the next couple of years. The Administration still anticipates GDP growth a bit in excess of its long-run potential rate in 2017 and 2018. The Administration has, however, revised down the projected long-run growth rate slightly, mostly due to a downward revision in the long-run rate of productivity growth. The unemployment rate has fallen more quickly than many forecasters thought it would, and the Administration's forecast revises the long-run expectation for unemployment down slightly. The forecasts for interest rates on short- and long-term Treasury securities at the end of the forecast horizon are also lower than they were when the Administration finalized its Budget forecast.

#### ECONOMIC PROJECTIONS

The Administration's forecast is based on information available to forecasters at the beginning of June, and it also assumes that the President's policy proposals in the 2017 Budget will be fully enacted. The projections for a set of key variables can be found in Table 2.

**Real Gross Domestic Product:** Real GDP growth in 2016 is expected to be 2.2 percent on a fourth-quarter-over-fourth quarter (Q4/Q4) basis, and the forecast calls for a slight uptick in growth (to 2.4 percent) during 2017 and 2018. This medium-term picture takes into account the relatively weak GDP and productivity data seen in the early part of 2016 and it represents a downward revision in forecasted growth relative to that published in the Budget, where Q4/Q4 growth was projected to be 2.7 percent during 2016 and 2.5 percent during 2017. The Administration has lowered its expectation for long-run economic growth, for years after 2018, from 2.3 percent when the Budget was published to 2.2 percent.

**Unemployment:** The unemployment rate is expected to finish the year at 4.7 percent and then decline to 4.6 percent from the end of 2017 through 2019. After that, the Administration expects that it will settle back to the long-run NAIRU, the unemployment rate at which inflationary pressures are broadly balanced, of 4.8 percent. The Administration has revised its Budget forecast for unemployment to reach a low of 4.6 percent and a long-run level of 4.8 percent.

The revision of NAIRU from 4.9 to 4.8 percent is consistent with revisions made by other forecasters in response to recent data. There has been little sign of inflation despite low interest rates and low unemployment rates.

**Inflation:** Rapidly declining oil prices during the last half of 2014 and most of 2015 led to a CPI inflation rate that was well below a rate consistent with the Federal Reserve's target for a closely related price index, the Price Index for Personal Consumption Expenditures (PCE). As the price of crude oil has stabilized after a turbulent start to 2016, CPI inflation is projected to rise back to 2.3 percent. (Note that the Federal Reserve targets 2.0 percent inflation in the price index for personal consumption expenditures, not the CPI.) Over the long run, inflation in the central bank's preferred price index tends to be about 0.25 to 0.30 percentage points less than that in the CPI.) The forecast for inflation is broadly similar to that published in the Budget.

**Interest Rates:** At the end of 2015, the FOMC raised its target for the Federal funds rate from a range of 0.00 to 0.25 percent. This helps inform the current interest rate forecast, which is also based on futures market data, other private forecasters' expectations, and long-run historical experience. The 91-day Treasury bill is expected to average 0.4 percent over 2016 and climb gradually to reach 3.2 percent in 2021. At the end of the forecast horizon, the rate on the 91-day Treasury bill is expected to be 3.0 percent, about 25 basis points lower than the terminal rate published in the Budget. In the medium term, the short-term rate "overshoots" its terminal value, because the unemployment rate drops below its long-run rate before slowly rising back by the end of the forecast window. Like the short-term rate, the rate on 10-year Treasury notes is also expected to be lower at the end of the forecast horizon than was expected in the Budget. The Administration expects rates on the 10-year note to be 4.0 percent in 2026, down from the 4.2 percent expected in the autumn, roughly similar to the recent consensus forecast of private economists.

**Incomes and Income Shares:** At the start of the recovery from the global financial crisis, corporate profits rebounded more quickly than compensation to labor, while low

**Table 2. ECONOMIC ASSUMPTIONS<sup>1</sup>**  
 (Calendar Years, Dollar Amounts in Billions)

	Actual						Projections						
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>Gross Domestic Product (GDP):</b>													
Levels, Dollar Amounts in Billions:													
Current Dollars .....	17,348	17,947	18,502	19,264	20,125	20,967	21,870	22,790	23,761	24,765	25,818	26,912	28,055
Real, Chained (2009) Dollars .....	15,962	16,349	16,667	17,085	17,495	17,893	18,286	18,689	19,100	19,520	19,950	20,388	20,837
Chained Price Index (2009=100), Annual Average .....	108.7	109.8	111.0	112.8	115.0	117.2	119.6	121.9	124.4	126.9	129.4	132.0	134.6
Percent Change, Fourth Quarter over Fourth Quarter:													
Current Dollars .....	3.9	3.1	3.4	4.3	4.3	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2
Real, Chained (2009) Dollars .....	2.5	2.0	2.2	2.4	2.4	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Chained Price Index (2009=100) .....	1.3	1.1	1.2	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Percent Change, Year over Year:													
Current Dollars .....	4.1	3.5	3.1	4.1	4.5	4.2	4.3	4.2	4.2	4.2	4.2	4.2	4.2
Real, Chained (2009) Dollars .....	2.4	2.4	1.9	2.5	2.4	2.3	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Chained Price Index (2009=100) .....	1.6	1.0	1.1	1.6	2.0	1.9	2.1	2.0	2.0	2.0	2.0	2.0	2.0
<b>Incomes, Billions of Current Dollars:</b>													
Domestic Corporate Profits .....	1,655	1,620	1,596	1,676	1,807	1,884	1,939	1,999	2,059	2,128	2,190	2,245	2,336
Employee Compensation .....	9,249	9,667	10,099	10,490	10,902	11,361	11,860	12,390	12,945	13,525	14,131	14,775	15,424
Wages and Salaries .....	7,478	7,835	8,178	8,503	8,848	9,219	9,624	10,045	10,489	10,953	11,439	11,962	12,483
Other Taxable Income <sup>2</sup> .....	4,075	4,225	4,393	4,503	4,672	4,926	5,237	5,540	5,834	6,130	6,392	6,629	6,874
<b>Consumer Price Index (All Urban)<sup>3</sup>:</b>													
Level (1982-1984 = 100), Annual Average .....	236.7	237.0	239.9	245.2	250.2	255.9	261.6	267.5	273.6	279.8	286.2	292.6	299.2
Percent Change, Fourth Quarter over Fourth Quarter .....	1.2	0.4	1.6	2.1	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Percent Change, Year over Year .....	1.6	0.1	1.2	2.2	2.1	2.3	2.2	2.3	2.3	2.3	2.3	2.3	2.3
<b>Unemployment Rate, Civilian, Percent:</b>													
Fourth Quarter Level .....	5.7	5.0	4.7	4.6	4.6	4.6	4.7	4.7	4.8	4.8	4.8	4.8	4.8
Annual Average .....	6.2	5.3	4.8	4.7	4.6	4.6	4.7	4.7	4.8	4.8	4.8	4.8	4.8
<b>Federal Pay Raises, January, Percent:</b>													
Military <sup>4</sup> .....	1.0	1.0	1.3	1.6	NA	NA	NA	NA	NA	NA	NA	NA	NA
Civilian <sup>5</sup> .....	1.0	1.0	1.3	1.6	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Interest Rates, Percent:</b>													
91-Day Treasury Bills <sup>6</sup> .....	*	*	0.4	1.2	2.1	2.7	3.1	3.2	3.1	3.0	3.0	3.0	3.0
10-Year Treasury Notes .....	2.5	2.1	2.0	2.8	3.3	3.6	3.8	3.9	3.9	3.9	4.0	4.0	4.0

<sup>1</sup> 0.05 percent or less.<sup>1</sup> Based on information available as of early June 2016.<sup>2</sup> Rent, interest, dividend, and proprietors' income components of personal income.<sup>3</sup> Seasonally adjusted CPI for all urban consumers.<sup>4</sup> Percentages apply to basic pay only; percentages to be proposed for years after 2017 have not yet been determined.<sup>5</sup> Overall average increase, including locality pay adjustments. Percentages to be proposed for years after 2017 have not yet been determined.<sup>6</sup> Average rate, secondary market (bank discount basis).

interest rates also tended to suppress interest income. By the end of 2015, the share of national income accruing to wages and salaries, and to employee compensation in general (including such benefits as health insurance), was still well below its long-run average. As the economy recovers fully, some of this shift in shares is expected to reverse. As such, the current projections forecast a gentle rise in the compensation share of income. The forecasted compensation share is slightly higher than that forecast in the Budget, reflecting the higher-than-expected labor income share observed in the first quarter of 2016.

## FORECAST COMPARISONS

The Administration's Mid-Session Review forecast is fairly similar to those of CBO, the FOMC, and the Blue Chip panel of pri-

vate sector forecasters. In cases where the Administration's forecast is somewhat more optimistic, the difference can be explained by the Administration's assumption that the President's policy proposals will be enacted.

**Real Gross Domestic Product:** On real GDP growth, the Administration's forecast differs slightly from those published by CBO in January and the FOMC in June, and from that of the Blue Chip consensus, published in March (for the long-run forecast) and June (for the short-run forecast). CBO's published projection for 2016 growth is much higher than the other two, but it was also constructed before data on the first quarter of 2016 were available. The Administration's forecast of 2.5 percent on a year-over-year basis in 2017 and 2.4 percent in 2018 is slightly higher than the Blue Chip consensus forecast. The anal-

**Table 3. COMPARISON OF ECONOMIC ASSUMPTIONS**  
 (Calendar Years)

**Table 3. COMPARISON OF ECONOMIC ASSUMPTIONS—Continued**  
(Calendar Years)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026												
<b>Unemployment Rate (Annual Average in Percent):</b>																								
MSR .....	5.3	4.8	4.7	4.6	4.6	4.7	4.7	4.8	4.8	4.8	4.8	4.8												
Budget .....	5.3	4.7	4.5	4.6	4.6	4.7	4.7	4.8	4.9	4.9	4.9	4.9												
CBO .....	5.3	4.7	4.4	4.6	4.8	5.0	5.0	5.0	5.0	5.0	5.0	5.0												
Blue Chip .....	5.3	4.8	4.5	4.6	4.7	4.7	4.8	4.8	4.9	4.9	4.9	4.9												
FOMC <sup>3</sup> .....	4.6–4.8 4.5–4.7 4.4–4.8 .....						4.7–5.0 .....																	
<b>Interest Rates (Annual Average in Percent):</b>																								
<b>91-Day Treasury Bills (discount basis):</b>																								
MSR .....	*	0.4	1.2	2.1	2.7	3.1	3.2	3.1	3.0	3.0	3.0	3.0												
Budget .....	*	0.7	1.8	2.6	3.1	3.3	3.4	3.4	3.3	3.3	3.2	3.2												
CBO .....	0.1	0.7	1.6	2.5	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2												
Blue Chip .....	*	0.4	1.2	2.3	2.7	2.9	3.0	3.0	3.0	3.0	3.0	3.0												
<b>10-Year Treasury Notes:</b>																								
MSR .....	2.1	2.0	2.8	3.3	3.6	3.8	3.9	3.9	3.9	4.0	4.0	4.0												
Budget .....	2.1	2.9	3.5	3.9	4.1	4.2	4.2	4.2	4.2	4.2	4.2	4.2												
CBO .....	2.1	2.8	3.5	3.9	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1												
Blue Chip .....	2.1	2.0	2.6	3.4	3.7	3.8	3.9	3.9	3.9	3.9	3.9	3.9												

\* 0.05 percent or less

Sources: Administration; CBO, The Budget and Economic Outlook: 2016 to 2026, January 2016; March 2016 and June 2016 Blue Chip Economic Indicators, Aspen Publishers, Inc.; Federal Reserve Open Market Committee, June 15, 2015

MSR = 2017 Mid-Session Review (forecast date: June 2016)

Budget = 2017 Budget (forecast date: November 2015)

CBO = Congressional Budget Office January 2016 baseline economic forecast

Blue Chip = June 2016 Blue Chip Consensus Forecast extended with March 2016 Blue Chip long-run survey (publication date: June 10, 2016)

FOMC = Federal Reserve Open Market Committee (forecast central tendency date: June 15, 2016)

<sup>1</sup>Values for 2018-2026 interpolated by OMB from annual growth rates.

<sup>2</sup>The FOMC's central tendency for longer term growth is 1.8% to 2.0%. Longer term growth represents each participant's assessment of the rate to which GDP growth would be expected to converge under appropriate monetary policy and in the absence of further shocks to the economy.

<sup>3</sup>Fourth quarter levels of unemployment.

gous figures for the Blue Chip consensus are 2.3 percent in 2017 and 2.2 percent in 2018. The FOMC expects a still lower growth rate of between 1.9 percent and 2.2 percent in 2017 and 1.8 percent and 2.1 percent in 2018. In the long run, the Administration's forecast for growth is 2.2 percent, which is higher than the 2.1 percent projected by Blue Chip and the 2.0 percent that CBO forecasts and that is at the high end of the FOMC central tendency. The Administration's higher forecast is explained in part by the assumption that all of the President's productivity-enhancing policies will be adopted. CBO makes its forecast assuming that current law will hold, while it is not clear to what extent the other forecasts incorporate the President's policies.

**Unemployment:** Compared with other forecasters, the Administration expects somewhat higher unemployment in the near term, with a 2017 average unemployment rate of 4.7 percent, whereas the other forecasters expect the unemployment rate to fall to 4.5 percent or lower. After 2017, the Administration's forecast mostly tracks those of the other forecasters, although CBO sees a higher unemployment rate (5 percent) in the medium to long run, possibly due to earlier release of its forecast. The Administration expects a long-run unemployment rate of 4.8 percent. This estimate of the NAIRU is lower than that put forward by Blue Chip (4.9 percent) and in line with the central tendency of the forecast of the FOMC.

**Inflation:** The Administration's forecast for CPI inflation is close to those of CBO and the Blue Chip consensus. Blue Chip expects a slightly faster regression to the long-run expectation for consumer price inflation after this recent period of low inflation than the Administration, but the forecasts are otherwise similar.

**Interest Rates:** On interest rates, the Administration's forecast closely tracks the Blue Chip projections. CBO expects slightly higher interest rates over the forecast window, although this may be due to January release of the CBO's forecast together with the subsequent decline in rates. For short-term interest rates, represented by the rate on the 91-day Treasury bill, both the Administration and Blue Chip expect a rate of 3.0 percent near the

end of the projection interval. Differences arise in the medium term, when the Administration expects the Treasury bill interest rate to briefly rise above its terminal level, producing higher rates in this period than those projected by the Blue Chip consensus. For interest rates on 10-year Treasury notes, with the exception of a slight divergence in 2017, the Administration and Blue Chip have fairly similar projections. The main difference is that Blue Chip expects long-term interest rates to peak at 3.9 percent, which is the expected terminal level, but the Administration expects a slightly higher rate on 10-year Treasuries in the long run (4.0 percent). The Administration also expects higher real GDP growth in the long run, and there is some theoretical support for the notion that higher growth rates should be accompanied by higher interest rates.

## RECEIPTS

The Mid-Session Review (MSR) estimates of receipts are below the 2017 Budget estimates by \$59 billion in 2016 and by \$11 billion in 2017. The MSR estimates of receipts are above the Budget estimates by \$17 billion in 2018, but below the Budget estimates by \$8 billion to \$90 billion in each subsequent year, for a net decrease in receipts of \$436 billion over the 10-year budget horizon (2017 through 2026).

The net decrease in 2016 receipts is in large part attributable to technical revisions based on new tax reporting data, collections to date, and other information, which decrease receipts by \$53 billion. Revised economic assumptions reduce 2016 receipts by an additional \$6 billion.

The estimate of 2017 receipts is also below the Budget estimate largely due to an \$11 billion decrease in receipts attributable to technical factors.

The \$436 billion reduction in receipts over the 10-year budget horizon is largely the result of a \$391 billion loss in receipts attributable to revisions in the economic forecast. A reduction in the net gain in receipts from the Administration's proposals reduces receipts by an additional \$58 billion. These reductions are partially offset by technical revisions, which increase receipts by \$13 billion.

### ECONOMIC CHANGES

Revisions in the economic forecast reduce receipts by \$6 billion in 2016, increase receipts by \$2 billion in 2017, and reduce receipts by \$6 billion to \$80 billion in each subsequent year, for a total reduction of \$391 billion over 10 years from 2017 through 2026.

In 2016, revisions to the economic forecast have the greatest effect on individual and corporation income taxes, increasing individual income taxes by \$7 billion and reducing corporation income taxes by \$16 billion. The increase in individual income taxes is primarily attributable to increases in the forecast of personal income from wages and salaries. Changes in the forecasts of Gross Domestic Product (GDP) and other economic measures that affect the profitability of corporations are

primarily responsible for the reduction in corporation income taxes.

Over the 10-year budget horizon, revisions in the economic forecast have the greatest effect on corporation income taxes, reducing collections by \$235 billion. The reduction is driven by net reductions in estimates of taxable corporate income relative to the Budget forecast due to downward revisions in the forecast of GDP. Revisions in the economic forecast also reduce collections of individual income taxes and social insurance and retirement receipts, reducing 10-year collections by \$76 billion and \$73 billion, respectively. Reductions in the economic forecasts of nonwage sources of personal income, such as personal interest income, are primarily responsible for the reduction in individual income taxes. Reductions in the forecast of proprietors' income, which is subject to Social Security and Medicare payroll taxes (the largest components of social insurance and retirement receipts), account for most of the reduction in this source of receipts. Revisions in the forecasts of GDP, interest rates, imports, and other sources of income decrease all remaining sources of receipts by a net \$7 billion.

### TECHNICAL CHANGES

Technical revisions in the estimates of receipts decrease receipts by \$53 billion in 2016 and \$11 billion in 2017, and increase receipts by \$28 billion in 2018 and \$15 billion in 2019. Technical revisions reduce or slightly increase receipts in each subsequent year, for a net increase in receipts of \$13 billion over the 10 years, 2017 through 2026. The downward technical revisions in 2016 are driven by a \$91 billion reduction in the estimate for individual income tax collections. This reduction is due to lower-than-expected final payments, net of refunds, on individual income tax liability for tax year 2015, as well as lower-than-expected withholdings and estimated payments for tax year 2016, relative to expectations in the 2017 Budget estimate.

Over the 10-year budget horizon, technical revisions decrease collections of individual income taxes and corporation income taxes by \$116 bil-

lion and \$108 billion, respectively. These net decreases reflect more recent collections data and revisions in estimating models based on updated tax and other data. In contrast, technical revisions increase collections of social insurance and retirement receipts by \$173 billion. Technical revisions in all other sources of receipts (excise taxes, customs duties, estate and gift taxes, deposits of earnings of the Federal Reserve System, and penalties and fees) result in a net 10-year increase in receipts of \$63 billion.

#### ENACTED LEGISLATION AND REVISIONS IN PROPOSALS

The Trade Facilitation and Trade Enforcement Act of 2015 is the only signifi-

cant piece of legislation enacted since the 2017 Budget with an effect on receipts, but is expected to have only a minor impact, increasing 10-year collections by \$63 million.

Revisions in the estimates of the net gains in receipts from the Administration's proposals reduce receipts by \$58 billion over the 10 years, 2017 through 2026. Revisions in the effect on receipts of the Administration's proposal to rationalize net investment income and Self Employed Contributions Act (SECA) taxes account for \$28 billion of this reduction in receipts. The remaining \$30 billion reduction in receipts reflects small revisions in the estimates of numerous provisions.

**Table 4. CHANGE IN RECEIPTS**  
(In billions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017-2021	2017-2026
2017 Budget estimate .....	3,336	3,644	3,899	4,095	4,346	4,572	4,756	4,949	5,177	5,411	5,669		
Changes in current law receipts due to revised economic assumptions:													
Individual income taxes .....	7	9	5	1	-1	-4	-8	-12	-17	-21	-28	10	-76
Corporation income taxes .....	-16	-24	-22	-22	-23	-23	-23	-24	-24	-25	-25	-114	-235
Social insurance and retirement .....	*	1	2	-*	-2	-5	-7	-10	-14	-15	-22	-4	-73
Other .....	2	15	9	2	-2	-4	-5	-6	-6	-5	-5	20	-7
Total, changes due to revised economic assumptions .....	-6	2	-6	-20	-28	-36	-44	-52	-61	-66	-80	-89	-391
Changes in current law receipts due to technical reestimates:													
Individual income taxes .....	-91	-50	-4	-1	-2	-7	-8	-10	-10	-11	-13	-63	-116
Corporation income taxes .....	21	15	7	-8	-24	-25	-18	-15	-13	-13	-13	-35	-108
Social insurance and retirement .....	15	17	20	17	17	17	17	17	17	18	18	87	173
Other .....	1	6	6	7	7	7	6	6	7	6	5	32	63
Total, changes due to technical reestimates .....	-53	-11	28	15	-2	-8	-4	-1	*	-1	-3	21	13
Changes in current law receipts due to enacted legislation .....	-*	-*	*	*	*	*	*	*	*	*	*	*	*
Changes in proposals due to enacted legislation and economic and technical revisions:													
Rationalize net investment income and SECA taxes .....	-2	-2	-3	-2	-2	-3	-3	-3	-3	-3	-4	-12	-28
Other proposals .....	*	*	-2	-1	-3	-3	-4	-6	-4	-4	-4	-8	-30
Total, changes in proposals .....	*	2	-4	-3	-5	-5	-7	-9	-7	-8	-7	-20	-58
Total change in receipts .....	-59	-11	17	-8	-36	-50	-54	-62	-68	-75	-90	-88	-436
2017 Mid-Session estimate .....	3,276	3,632	3,916	4,087	4,310	4,522	4,702	4,887	5,109	5,336	5,579		

\* \$500 million or less.

## EXPENDITURES

Outlays for 2016 in the Mid-Session Review (MSR) are estimated to be \$3,876 billion, \$75 billion lower than the 2017 Budget estimate, reflecting slower-than-expected spending across a large number of discretionary and mandatory programs. Projected outlays have fallen by \$74 billion in 2017 relative to the Budget, and by \$1,317 billion over the 10-year budget horizon, 2017 to 2026. These decreases in spending are almost entirely due to the effect of economic and technical reestimates in a number of mandatory programs and net interest, as well as lower debt service associated with the changes in outlays and receipts.

### ENACTED LEGISLATION AND POLICY CHANGES

One new law enacted since the Budget was completed has an impact on outlays as estimated in the MSR. The Trade Facilitation and Trade Enforcement Act of 2015, P.L. 114-125, enacted in February 2016, increases offsetting receipts from customs fees (which net against outlays) by \$0.4 billion over the next 10 years.<sup>1</sup>

In addition, in February the Administration transmitted an FY 2016 Emergency Supplemental appropriations request for additional funding to respond to the Zika virus. This funding is urgently needed to undertake immediate efforts to bolster domestic preparedness, accelerate the procurement and testing of vaccines, diagnostics, and new mosquito control methods, and enhance global capability to detect and respond to the Zika virus. This request increases discretionary outlays by \$2 billion.

### ESTIMATING CHANGES

Estimating changes are due to factors other than enacted legislation or changes in policy. These result from changes in economic assumptions, discussed earlier in this MSR, and changes in technical factors. Relative to the

Budget estimates, economic and technical changes decrease estimated outlays for 2016 by \$76 billion, and decrease outlays by \$1,319 billion from 2017 through 2026.

**Discretionary programs.** Outlays for discretionary programs decrease by \$31 billion in 2016, but increase by \$48 billion over the next 10 years relative to the Budget as a result of technical revisions. The changes in 2016 reflect lower outlays compared to the Budget for both defense (\$11 billion) and non-defense (\$19 billion) discretionary programs, due to slower-than-expected spending patterns. Within defense programs, the decrease is due to slower-than-expected spending for operation and maintenance; research, development, test, and evaluation; and procurement. Within non-defense programs, the decrease in the current year is primarily due to slower-than-expected spending for disaster relief, veterans medical services, and education for the disadvantaged. Outlays over the 10-year period increase by \$43 billion for defense programs and by \$5 billion for non-defense programs. The increase within defense programs is primarily due to higher outlays for shipbuilding and conversion, aircraft procurement, and military construction. Higher-than-expected outlays for disaster relief, innovation and improvement programs, the community development fund, and children and families services also contribute to the overall increase.

**Premium tax credit and cost-sharing reductions.** The incorporation of new data on spending and enrollment and changes in technical assumptions for the refundable premium tax credit, cost sharing reductions, and Basic Health Programs reduce net outlays by \$6 billion in 2016 and by \$308 billion (or 28 percent) from 2017 through 2026. This decrease in outlays is accompanied by \$21 billion in increased receipts attributable to revised estimates for the premium tax credit. The 10-year decrease reflects recent data from the Marketplaces, including lower enrollment than previously projected, as well as other technical changes.

<sup>1</sup> The Puerto Rico Oversight, Management, and Economic Stability Act (H.R. 5278) was not enacted in time to be included in the Mid-Session Review estimates. This legislation is estimated to have minimal deficit effects.

**Social Security.** Estimating changes reduce outlays for Social Security by \$12 billion in 2016 and by an additional \$216 billion over the next 10 years. The decrease is partially the result of the MSR's lower forecast for the Consumer Price Index (CPI), which results in lower cost-of-living adjustments. In addition, revised short-term disabled worker incidence rates based on continuing lower-than-expected levels of disabled worker applications and awards also lower outlays.

**Medicare.** Outlays for Medicare decrease by \$3 billion in 2016, and by \$87 billion over the next 10 years. This decrease is primarily due to technical factors that reduce projected Medicare Part A spending, such as a decline in estimated enrollment and updated data on utilization (e.g., hospital discharges, home health utilization, and skilled nursing facility utilization). These reductions are partially offset by an increase in inpatient hospital case mix and increased hospice utilization, among other factors. Economic factors also partially offset the decrease in Part A. These decreases are partially offset by increases in Medicare Part B due to changes in assumptions about market baskets, CPI inflation, and productivity growth. Changes in Part B are also due to updated information on actual spending, changes to beneficiary enrollment, and other modeling improvements, which include effects from recent rulemaking.

**Outer Continental Shelf receipts.** Economic and technical changes increase net outlays by reducing offsetting receipts for royalties on outer continental shelf lands by \$1 billion in 2016, and by \$16 billion over the next 10 years. The decrease in offshore royalties is due to a decrease in energy price assumptions as updated in MSR economic assumptions and accounting for data from the Energy Information Administration's (EIA) 2016 Annual Energy Outlook, which was released after the Budget was final. Technical updates were also made to reflect new production estimates from the Department of the Interior and the EIA.

**Supplemental Security Income (SSI).** Outlays for SSI decrease by \$1 billion in 2016, and further decrease by \$11 billion from 2017 to 2026, largely due to lower cost-of-living projections which result in lower benefit pay-

ments. A lower recipient population projection, primarily due to lower initial caseloads and overall lower applications and awards, partially offset by lower net case closings, also contributes to the decrease in outlays.

**Mutual Mortgage Insurance Capital Reserve.** Outlays for the Mutual Mortgage Capital Reserve increase by \$10 billion from 2017 to 2026 due to revised economic factors leading to lower-than-expected interest income on Federal securities.

**Higher education.** Mandatory higher education outlays decrease by \$1 billion in 2016, and increase by \$9 billion from 2017 through 2026. The increase in outlays is due to changes that reflect a loan volume update, which reduces the volume of Consolidation Loans, and Unsubsidized Stafford Loans. Consolidation loans have a positive subsidy rate, which results in positive outlays when loans are disbursed, whereas Unsubsidized loans have a negative subsidy rate and generate offsetting receipts (negative outlays). As a result of the volume changes, the net cost of the Direct Loan program over the 10-year budget window is estimated to be about \$4.6 billion higher than in the Budget.

**Children's Health Insurance Program (CHIP).** Outlays for CHIP are \$1 billion higher in 2016 due to higher projections of State CHIP spending. Projected outlays increased by \$9 billion from 2017 to 2026 relative to the Budget estimate due primarily to revised estimates of the Budget proposal to extend CHIP through 2019, which resulted in additional spending from carryover balances.

**Victims programs.** Outlays for three victims compensation programs decrease by \$2 billion in 2016 and increase by \$8 billion over the next 10 years due to technical factors. The decrease in the current year is due to slower-than-expected spending in the Crime Victims Fund. The increase in outlays over the next 10 years is primarily the result of new programs, the Victims Compensation Fund and the United States Victims of State Sponsored Terrorism Fund, which were established and provided an appropriation in Public Law 114-113, the Consolidated Appropriations Act of 2016, estimates for which were not included in the Budget.

**Table 5. CHANGE IN OUTLAYS**  
(In billions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
												2017- 2021	2017- 2026
<b>2017 Budget estimate .....</b>	<b>3,951</b>	<b>4,147</b>	<b>4,352</b>	<b>4,644</b>	<b>4,880</b>	<b>5,124</b>	<b>5,415</b>	<b>5,626</b>	<b>5,827</b>	<b>6,152</b>	<b>6,462</b>		
Changes due to enacted legislation and policy changes:												-*	-*
Enacted legislation .....												-*	-*
Emergency supplemental appropriations .....	*	1	*	*	*	*	*	*	*	*	*	2	2
Debt service .....	*	*	*	*	*	*	*	*	*	*	*	*	1
Subtotal, enacted legislation and policy changes .....	*	1	*	*	*	*	*	*	*	-*	*	2	2
Changes due to reestimates:													
Discretionary appropriations:													
Defense base programs .....	-11	2	2	2	1	*	4	7	8	9	9	6	43
Non-defense base programs .....	-19	6	1	-1	-1	*	*	*	*	-*	-*	4	5
Overseas contingency operations .....	-*	*	*				*	*	*	*	*	*	1
Subtotal, discretionary appropriations .....	-31	7	3	1	-1	1	4	7	8	9	9	11	48
Premium tax credits and cost-sharing reductions .....	-6	-16	-28	-34	-31	-29	-31	-33	-34	-36	-37	-137	-308
Social Security .....	-12	-19	-23	-25	-26	-27	-25	-23	-19	-16	-14	-118	-216
Medicare .....	-3	-7	-9	-9	-8	-7	-7	-8	-7	-13	-13	-39	-87
Outer Continental Shelf receipts ....	1	1	1	2	2	1	2	2	2	2	2	7	16
Supplemental Security Income ....	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-6	-11
FHA-Mutual Mortgage Insurance Capital Reserve .....	*	*	1	1	1	1	1	1	2	2	2	3	10
Higher education .....	-1	-1	-*	-*	*	1	1	2	2	2	3	-*	9
Childrens Health Insurance Program .....	1	1	1	1	6							9	9
Victims programs .....	-2	*	1	2	3	1	1	*	*	*	*	7	8
Rural Electrification and Telecommunications loans .....	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-4	-8
Commodity Credit Corporation .....	1	1	2	-*	-1	-2	-2	-2	-1	-2	-1	*	-8
Crop insurance .....	-4	1	-*	-*	-*	-*	-1	-1	-1	-1	-1		-4
Medicaid .....	2	-*	1	-2	-4	*	1	1	2	2	1		1
Other programs <sup>1</sup> .....	-13	-5	2	-1	-2	1	-1	-2	-1	-*	*	-6	-10
Net interest <sup>2</sup> .....	-7	-37	-56	-64	-71	-77	-83	-89	-94	-98	-102	-394	-770
Subtotal, reestimates .....	-76	-75	-107	-131	-134	-139	-141	-145	-143	-151	-152	-586	-1,319
Total change in outlays .....	-75	-74	-106	-131	-134	-139	-141	-145	-143	-151	-152	-584	-1,317
<b>Mid-Session estimate .....</b>	<b>3,876</b>	<b>4,073</b>	<b>4,246</b>	<b>4,513</b>	<b>4,746</b>	<b>4,986</b>	<b>5,274</b>	<b>5,480</b>	<b>5,684</b>	<b>6,001</b>	<b>6,310</b>		

<sup>1</sup>\$500 million or less.<sup>1</sup>Includes change in allowance for future disaster costs.<sup>2</sup>Includes debt service on all reestimates.

**Rural Electrification and Telecommunications loans.** Outlays for rural electrification and telecommunications loan programs decrease by \$1 billion in 2016 and by an additional \$8 billion from 2017 to 2026 due to a number of technical factors. The decrease from the Budget is primarily due to higher-than-anticipated Cushion of Credit deposits received from borrowers and lower-than-expected loan payments by borrowers.

**Commodity Credit Corporation.** Outlays for the Commodity Credit Corporation increase by \$1 billion in 2016 and decrease by \$8 billion from 2017 to 2026 due to a number of technical factors. A reduction in the price of corn and wheat since the Budget lead to higher-than-expected commodity payments in 2017 and 2018, but lower-than-expected payments from 2019 to 2026. Due to the lower price guarantee, com-

modity program participation is also lower than expected after 2019. Partially offsetting these decreases are increases in the livestock disaster program due to adverse weather conditions, and increases in the Conservation Reserve Program due to the lower commodity prices.

**Crop insurance.** Outlays for crop insurance decrease by \$4 billion in 2016 and by an additional \$4 billion from 2017 to 2026 due to technical factors. The decrease in the current year is primarily due to a lower loss-ratio through May 2015 reflecting a favorable growing season for the crops covered by the Risk Management Agency. In addition, advances in agriculture production such as drought-resistant seed technology have lowered losses for some commodities even when there are less favorable conditions. The outyear decreases are due to lower-than-expected participation in recently enacted Farm Bill programs as well as projected decreases in commodity prices provided by the U.S. Department of Agriculture's World Agriculture Outlook Board in May 2016.

**Medicaid.** Economic and technical revisions increase projected Federal outlays for

Medicaid by \$2 billion in 2016 relative to the Budget estimates, and further increase outlays by \$1 billion from 2017 to 2026 due to higher-than-expected State spending partially offset by a reduction in projected outlays due to economic factors and a lower projected cost of the Budget proposals.

**Net interest.** Excluding the debt service associated with enacted legislation and policy changes, outlays for net interest are projected to decrease by \$7 billion in 2016 and by \$770 billion over the next 10 years. The majority of the reduction, \$547 billion, is the result of revised economic assumptions, including lower projections for Treasury interest rates and lower growth in the CPI. Technical revisions of \$70 billion are primarily due to updating for actual issuance through May for marketable and nonmarketable securities and through March for other actuals, as well as revised projections of marketable financing assumptions, issuance of nonmarketable securities, other means of financing, and other factors. Debt service on all economic and technical changes in receipts and outlays compared to the Budget reduces interest outlays by \$152 billion.

## **SUMMARY TABLES**



**Table S-1. BUDGET TOTALS**  
 (In billions of dollars and as a percent of GDP)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
													2017- 2021	2017- 2026
<b>Budget Totals in Billions of Dollars:</b>														
Receipts	3,250	3,276	3,632	3,916	4,087	4,310	4,522	4,702	4,887	5,109	5,336	5,579	20,468	46,081
Outlays	3,688	3,876	4,073	4,246	4,513	4,746	4,986	5,274	5,480	5,684	6,001	6,310	22,564	51,313
Deficit	438	600	441	330	427	436	463	572	593	575	665	731	2,096	5,232
Debt held by the public	13,117	14,128	14,700	15,135	15,668	16,198	16,747	17,399	18,086	18,715	19,453	20,261		
Debt net of financial assets	11,882	12,482	12,322	13,252	13,678	14,113	14,576	15,147	15,740	16,314	16,978	17,709		
Gross domestic product (GDP)	17,910	18,349	19,063	19,912	20,751	21,644	22,554	23,516	24,510	25,551	26,634	27,765		
<b>Budget Totals as a Percent of GDP:</b>														
Receipts	18.2%	17.9%	19.1%	19.7%	19.7%	19.9%	20.1%	20.0%	19.9%	20.0%	20.1%	19.7%	19.8%	
Outlays	20.7%	21.1%	21.4%	21.3%	21.8%	21.9%	22.1%	22.4%	22.4%	22.2%	22.5%	22.7%	21.7%	22.1%
Deficit	2.5%	3.3%	2.3%	1.7%	2.1%	2.0%	2.1%	2.4%	2.4%	2.2%	2.5%	2.6%	2.0%	2.2%
Debt held by the public	73.6%	77.0%	77.1%	76.0%	75.5%	74.8%	74.3%	74.0%	73.7%	73.2%	73.0%	73.0%		
Debt net of financial assets	68.7%	68.0%	67.8%	66.6%	65.9%	65.2%	64.6%	64.4%	64.2%	63.8%	63.7%	63.8%		

Table S-2. EFFECT OF BUDGET PROPOSALS ON PROJECTED DEFICITS

(Deficit increases (+) or decreases (-) in billions of dollars)

**Table S-2. EFFECT OF BUDGET PROPOSALS ON PROJECTED DEFICITS—Continued**

(Deficit increases (+) or decreases (-) in billions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals
												2017-2026
<b>Other changes to deficits:</b>												
Reductions in Overseas Contingency Operations	.....	.....	.....	-*	-37	-55	-63	-67	-76	-81	-84	-88
Debt service	.....	.....	.....	-*	-2	-4	-6	-9	-12	-15	-18	-21
Total, other changes to deficits	.....	.....	.....	-37	-56	-67	-74	-85	-93	-98	-104	-109
<b>Total Proposals in the 2017 MSR</b>	<b>.....</b>	<b>*</b>	<b>-102</b>	<b>-198</b>	<b>-235</b>	<b>-274</b>	<b>-318</b>	<b>-382</b>	<b>-426</b>	<b>-474</b>	<b>-514</b>	<b>-602</b>
<b>Resulting deficits in 2017 MSR</b>	<b>.....</b>	<b>600</b>	<b>441</b>	<b>330</b>	<b>427</b>	<b>436</b>	<b>463</b>	<b>572</b>	<b>593</b>	<b>575</b>	<b>665</b>	<b>731</b>
Percent of GDP	.....	3.3%	2.3%	1.7%	2.1%	2.0%	2.1%	2.4%	2.4%	2.2%	2.6%	2.0%
<b>Memorandum:</b>												
Debt held by the public in the adjusted baseline	.....	14,128	14,798	15,421	16,177	16,965	17,816	18,831	19,905	21,010	22,244	23,635
Percent of GDP	.....	77.0%	77.6%	77.4%	78.0%	78.4%	79.0%	80.1%	81.2%	82.2%	83.5%	85.1%
Debt held by the public in the 2017 MSR	.....	14,128	14,700	15,135	15,668	16,198	16,747	17,399	18,066	18,715	19,453	20,261
Percent of GDP	.....	77.0%	77.1%	76.0%	75.5%	74.8%	74.3%	74.0%	73.7%	73.2%	73.0%	73.0%

\* \$500 million or less.

<sup>1</sup> See Tables S-4 and S-7 for information on the adjusted baseline.<sup>2</sup> For cumulative deficit reduction since January 2011, see Table S-3.<sup>3</sup> Investments in a 21st Century infrastructure include \$385 billion in new resources over 10 years for investments in a more innovative, cleaner, and safer transportation system through the 21st Century Clean Transportation Plan and assistance to families with burdensome energy costs. These investments, and an existing \$87 billion Highway Trust Fund solvency gap, are fully paid for, including outlays outside the 10-year budget window, with \$314 billion in net revenues from a new oil fee and \$168 billion in transition revenues from business tax reform. The remaining \$134 billion of transition revenues would be available for deficit reduction.<sup>4</sup> The cost of business-related tax provisions enacted in December 2015 is projected to be nearly \$500 billion over the 2016 to 2026 period.<sup>5</sup> Including grants to Historically Black Colleges and Universities, Hispanic-Serving Institutions, and other Minority-Serving Institutions.<sup>6</sup> Includes proposals to expand home visiting and enact Preschool for All.<sup>7</sup> Includes proposals to implement the Buffett Rule by imposing a new “Fair Share Tax,” rationalize Net Investment Income and Self-Employment Contributions Act (SECA) taxes, and reduce the value of certain tax expenditures.

**Table S-3. CUMULATIVE DEFICIT REDUCTION SINCE 2011**

(Deficit reduction (-) or increase (+) in billions of dollars)

	2017- 2026
<b>Deficit reduction achieved through July 2016, excluding Overseas Contingency Operations (OCO):</b>	
Enacted deficit reduction excluding pending Joint Committee enforcement:	
Discretionary savings <sup>1</sup> .....	-1,758
Mandatory savings .....	-167
Revenues .....	-814
Debt service .....	-1,061
Pending Joint Committee enforcement: <sup>2</sup>	
Subtotal, enacted deficit reduction excluding pending Joint Committee enforcement .....	<b>-3,790</b>
Discretionary cap reductions .....	-366
Mandatory sequestration .....	-201
Debt service .....	-113
Subtotal, pending Joint Committee enforcement .....	<b>-670</b>
Total, deficit reduction achieved, excluding OCO .....	<b>-4,461</b>
<b>Tax reforms and investments in innovation, opportunity, and economic growth:<sup>3</sup></b>	
Mission Innovation .....	29
Investments in a 21st Century infrastructure .....	312
Impose an oil fee .....	-314
Transition to a reformed business tax system .....	-302
Elements of business tax reform <sup>4</sup> .....	-544
Middle-class and pre-work tax reforms .....	252
Fund America's College Promise .....	61
Child care for all low- and moderate-income families with young children .....	78
Capital gains tax reform .....	-234
Focus retirement tax incentives on working and middle-class families .....	-30
Financial fee .....	-110
Investments in early education and children's health .....	76
Tobacco tax financing .....	-115
Replacement of mandatory sequestration .....	201
Additional discretionary proposals, including investments in education, infrastructure, innovation, and security .....	-61
Additional mandatory and tax proposals .....	-306
Debt service and indirect interest effects .....	-147
Total, tax reforms and investments in innovation, opportunity, and economic growth .....	<b>-1,154</b>
<b>Additional deficit reduction from health, tax, and immigration reform:<sup>5</sup></b>	
Health savings .....	-382
Curtailing inefficient tax breaks for the wealthy and closing loopholes .....	-906
Immigration reform .....	-170
Debt service .....	-190
Total, additional deficit reduction .....	<b>-1,619</b>
Subtotal, tax reforms, investments, and additional deficit reduction .....	<b>-2,803</b>
Grand total, achieved and proposed deficit reduction excluding OCO .....	<b>-7,264</b>

**Table S-3. CUMULATIVE DEFICIT REDUCTION SINCE 2011—Continued**

(Deficit reduction (–) or increase (+) in billions of dollars)

	2017– 2026
<b>Memoranda:</b>	
<b>Revenue and outlay effects of achieved and proposed deficit reduction:</b>	
Enacted outlay reductions and 2017 MSR spending proposals	–3,704
Enacted receipt increases and 2017 MSR tax proposals	–3,390
Immigration reform	–170
<b>Savings in Overseas Contingency Operations (OCO):</b>	
Enacted reduction in OCO funding	–1,050
Proposed reductions in OCO	–636
Debt service	–358
Total savings in overseas contingency operations (OCO)	<u>–2,044</u>

<sup>1</sup>Excludes savings from reductions in OCO.

<sup>2</sup>Consists of mandatory sequestration for 2017–2025 and discretionary cap reductions for 2018–2021.

<sup>3</sup>See Table S-2 for details on tax reform and investment proposals.

<sup>4</sup>The cost of business-related tax provisions enacted in December 2015 is projected to be nearly \$500 billion over the 2016 to 2026 period.

<sup>5</sup>See Table S-2 for details on additional deficit reduction proposals.

**Table S-4. ADJUSTED BASELINE BY CATEGORY<sup>1</sup>**  
 (In billions of dollars)

(In billions of dollars)

**Table S-4. ADJUSTED BASELINE BY CATEGORY—Continued**  
 (in billions of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
													2017–2021	2017–2026
<b>Memorandum<sup>a</sup>, budget authority for appropriated programs<sup>b</sup>.</b>														
Defense	536	607	611	664	678	693	709	726	743	761	780	798	3,355	7,163
Non-defense	527	555	531	566	579	591	603	618	633	649	665	681	2,871	6,116
Total, appropriated funding	1,113	1,162	1,142	1,230	1,257	1,285	1,312	1,344	1,376	1,410	1,444	1,479	6,226	13,279

\* \$500 million or less.

<sup>a</sup> See Table S-7 for information on adjustments to the Balanced Budget and Emergency Deficit Control Act (BBEDCA) baseline.

<sup>b</sup> These amounts represent a placeholder for major disasters requiring Federal assistance for relief and reconstruction. Such assistance might be provided in the form of discretionary or mandatory outlays or tax relief. These amounts are included as outlays for convenience.

<sup>c</sup> Consists of mandatory sequestration for 2017–2025 and discretionary cap reductions for 2018–2021.

<sup>d</sup> Excludes discretionary cap reductions for Joint Committee enforcement.

**Table S-5. PROPOSED BUDGET BY CATEGORY**  
 (In billions of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals
	2015–2021	2017–2026	2015–2021	2017–2026	2015–2021	2017–2026	2015–2021	2017–2026	2015–2021	2017–2026	2015–2021	2017–2026	2015–2021
<b>Outlays:</b>													
Appropriated ("discretionary") programs:													
Defense .....	583	584	609	591	593	597	603	606	621	634	646	659	2,994
Non-defense .....	581	608	631	631	634	638	647	651	660	671	684	698	3,181
Subtotal, appropriated programs .....	1,165	1,193	1,241	1,222	1,227	1,235	1,250	1,257	1,281	1,306	1,330	1,357	6,175
Mandatory programs:													
Social Security .....	882	911	948	1,003	1,065	1,130	1,197	1,270	1,349	1,433	1,520	1,610	5,843
Medicare .....	540	586	592	592	648	688	736	825	849	863	961	1,017	3,255
Medicaid .....	350	369	385	406	424	446	475	502	530	561	595	632	2,135
Other mandatory programs .....	528	583	633	678	732	766	802	847	853	864	899	949	3,611
Allowance for immigration reform .....	2,301	2,450	2,563	2,688	2,883	3,050	3,239	3,469	3,611	3,756	4,015	4,258	14,413
Subtotal, mandatory programs .....	2,323	2,333	2,66	329	396	453	497	538	578	612	646	685	19,490
Net interest .....	3,688	3,876	4,073	4,246	4,513	4,746	4,986	5,274	5,480	5,684	6,001	6,310	22,564
Adjustments for disaster costs <sup>1</sup> .....		*	3	7	8	9	9	10	10	10	10	10	36
Total outlays .....	3,688	3,876	4,073	4,246	4,513	4,746	4,986	5,274	5,480	5,684	6,001	6,310	51,313
<b>Receipts:</b>													
Individual income taxes .....	1,541	1,545	1,747	1,888	1,981	2,099	2,207	2,318	2,433	2,552	2,678	2,806	9,822
Corporation income taxes .....	344	298	410	478	496	528	534	512	499	509	518	530	2,445
Corporate income tax credits .....													5,014
Social insurance and retirement receipts:													
Social Security payroll taxes .....	770	810	841	878	912	944	991	1,036	1,078	1,127	1,175	1,230	4,566
Medicare payroll taxes .....	234	247	257	268	280	291	306	320	334	349	364	382	1,401
Unemployment insurance .....	51	49	51	56	55	54	56	57	58	59	62	64	272
Other retirement .....	10	9	10	10	11	11	12	12	13	14	14	15	53
Excise taxes .....	98	97	111	144	154	166	179	190	193	197	201	206	754
Estate and gift taxes .....	19	21	22	31	34	36	39	43	46	50	55	59	163
Customs duties .....	35	36	37	37	38	39	40	41	43	44	45	47	191
Deposits of earnings, Federal Reserve System .....	96	120	88	61	49	49	54	59	65	70	74	78	300
Other miscellaneous receipts .....	51	43	58	57	60	63	65	68	71	74	75	77	303
Allowance for immigration reform .....		1	7	20	30	40	45	55	64	74	84	98	420
Total receipts .....	3,250	3,276	3,632	3,916	4,087	4,310	4,422	4,702	4,887	5,109	5,336	5,579	20,468
<b>Deficit:</b>													
Net interest .....	438	600	441	330	427	436	463	572	593	575	665	731	2,996
<b>Primary deficit / surplus (-)</b> .....	223	233	266	329	396	453	497	538	578	612	646	685	1,840
On-budget deficit .....	215	367	175	1	31	17	-34	34	15	-37	19	46	156
Off-budget deficit / surplus (-) .....	466	634	468	345	418	387	408	491	478	424	479	513	2,037
	-27	-34	-27	-15	8	38	55	81	116	150	186	218	60

**Table S-5. PROPOSED BUDGET BY CATEGORY—Continued**  
 (In billions of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	
													2017–2021	2017–2026
<b>Memorandum, budget authority for appropriated programs:</b>														
Defense .....	586	607	610	584	583	599	614	624	636	648	661	674	3,000	6,243
Non-defense .....	527	557	540	561	570	575	590	589	601	613	626	639	2,836	5,904
Total, appropriated funding .....	1,113	1,164	1,150	1,145	1,163	1,174	1,205	1,213	1,237	1,261	1,287	1,313	5,836	12,147

\* \$500 million or less.

<sup>1</sup> These amounts represent a placeholder for major disasters requiring Federal assistance for relief and reconstruction. Such assistance might be provided in the form of discretionary or mandatory outlays or tax relief. These amounts are included as outlays for convenience.

**Table S-6. PROPOSED BUDGET BY CATEGORY AS A PERCENT OF GDP**  
(As a percent of GDP)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Averages 2015– 2026
<b>Outlays:</b>													
Appropriated (“discretionary”) programs:													
Defense .....	3.3	3.2	3.2	3.0	2.9	2.8	2.7	2.6	2.5	2.5	2.4	2.4	2.7
Non-defense .....	3.3	3.3	3.3	3.2	3.1	2.9	2.9	2.8	2.7	2.6	2.5	2.5	2.9
Subtotal, appropriated programs .....	6.5	6.5	6.5	6.1	5.9	5.7	5.5	5.3	5.2	5.1	5.0	4.9	5.5
Mandatory programs:													
Social Security .....	5.0	5.0	5.0	5.0	5.1	5.2	5.3	5.4	5.5	5.6	5.7	5.8	5.4
Medicare .....	3.0	3.2	3.1	3.0	3.1	3.2	3.3	3.5	3.5	3.4	3.6	3.7	3.3
Medicaid .....	2.0	2.0	2.0	2.0	2.1	2.1	2.1	2.2	2.2	2.2	2.3	2.3	2.1
Other mandatory programs .....	3.0	3.2	3.3	3.4	3.5	3.5	3.6	3.6	3.5	3.4	3.4	3.4	3.5
Allowance for immigration reform .....	.....	.....	.....	*	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1
Subtotal, mandatory programs .....	12.9	13.4	13.4	13.5	13.9	14.1	14.3	14.8	14.7	14.7	15.1	15.3	14.4
Net interest .....	1.3	1.3	1.4	1.7	1.9	2.1	2.2	2.3	2.4	2.4	2.5	1.8	2.1
Adjustments for disaster costs .....	.....	*	*	*	*	*	*	*	*	*	*	*	*
Total outlays .....	20.7	21.1	21.4	21.3	21.8	21.9	22.1	22.4	22.4	22.5	22.7	22.7	22.1
<b>Receipts:</b>													
Individual income taxes .....	8.7	8.4	9.2	9.5	9.5	9.7	9.8	9.9	9.9	10.0	10.1	10.1	9.8
Corporation income taxes .....	1.9	1.6	2.2	2.4	2.4	2.4	2.4	2.2	2.0	2.0	1.9	1.9	2.3
Social insurance and retirement receipts:													2.2
Social Security payroll taxes .....	4.3	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Medicare payroll taxes .....	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Unemployment insurance .....	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other retirement .....	0.1	*	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Excise taxes .....	0.6	0.5	0.6	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7
Estate and gift taxes .....	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Customs duties .....	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Deposits of earnings, Federal Reserve System .....	0.5	0.7	0.5	0.3	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Other miscellaneous receipts .....	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Allowance for immigration reform .....	.....	*	*	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.2
Total receipts .....	18.2	17.9	19.1	19.7	19.7	19.9	20.1	20.0	19.9	20.0	20.1	19.7	19.8
<b>Deficit:</b>													
Net interest .....	2.5	3.3	2.3	1.7	2.1	2.0	2.1	2.4	2.4	2.2	2.5	2.6	2.0
<b>Primary deficit / surplus (-) .....</b>	1.3	1.3	1.4	1.7	1.9	2.1	2.2	2.3	2.4	2.4	2.5	2.5	2.1
On-budget deficit .....	1.2	2.0	0.9	*	0.1	-0.1	-0.2	0.1	0.1	-0.1	0.1	0.2	0.1
Off-budget deficit / surplus (-) .....	2.6	3.5	2.5	1.7	2.0	1.8	1.8	2.1	1.9	1.7	1.8	2.0	1.9
MID-SESSION REVIEW	-0.2	-0.2	-0.1	-0.1	*	0.2	0.2	0.3	0.5	0.6	0.7	0.8	*

**Table S-6. PROPOSED BUDGET BY CATEGORY AS A PERCENT OF GDP—Continued**  
 (As a percent of GIP)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Averages	
													2017–2021	2017–2026
<b>Memorandum, budget authority for appropriated programs:</b>														
Defense .....	3.3	3.3	3.2	2.9	2.9	2.8	2.7	2.7	2.6	2.5	2.5	2.4	2.9	2.7
Non-defense .....	3.0	3.0	2.8	2.8	2.7	2.7	2.6	2.5	2.5	2.4	2.3	2.3	2.7	2.6
Total, appropriated funding .....	6.2	6.3	6.0	5.8	5.6	5.4	5.3	5.2	5.0	4.9	4.8	4.7	5.6	5.3

\*0.05 percent of GIP or less.  
 † These amounts represent a placeholder for major disasters requiring Federal assistance for relief and reconstruction. Such assistance might be provided in the form of discretionary or mandatory outlays or tax relief. These amounts are included as outlays for convenience.

**Table S-7. BRIDGE FROM BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT (BBEDCA) BASELINE TO ADJUSTED BASELINE**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017–2026
<b>BBEDCA baseline deficit</b>	<b>438</b>	<b>599</b>	<b>569</b>	<b>592</b>	<b>752</b>	<b>812</b>	<b>893</b>	<b>1,019</b>	<b>1,066</b>	<b>1,090</b>	<b>1,230</b>	<b>1,356</b>	<b>3,619</b>
<b>Adjustments for provisions contained in the Budget Control Act:</b>													
Set discretionary budget authority at cap levels <sup>1</sup>	.....	.....	.....	.....	-28	-3	7	7	5	4	4	3	-11
Reflect Joint Committee enforcement <sup>2</sup>	.....	.....	.....	.....	-63	-96	-104	-107	-57	-36	-30	-27	-8
<b>Subtotal</b>					-28	-66	-89	-97	-102	-53	-32	-26	-34
<b>Adjustments for emergency and disaster costs:</b>													
Remove disaster and non-recurring emergency costs	.....	.....	.....	.....	-2	-3	-6	-8	-8	-8	-9	-9	-26
Add placeholder for future emergency costs <sup>3</sup>	.....	.....	.....	*	3	7	8	9	9	10	10	10	36
<b>Reclassify surface transportation outlays:</b>													
Remove outlays from appropriated category	.....	.....	.....	-4	-4	-5	-5	-5	-5	-5	-5	-5	-48
Add outlays to mandatory category	.....	.....	.....	4	4	5	5	5	5	5	5	5	33
<b>Subtotal</b>				.....	.....	.....	.....	.....	.....	.....	.....	.....	48
<b>Total program adjustments</b>				*	-26	-63	-86	-101	-51	-30	-25	-4	-372
Debt service on adjustments	.....	.....	.....	*	-1	-4	-7	-11	-14	-16	-17	-18	-315
<b>Total adjustments</b>				1	-26	-64	-90	-103	-112	-65	-46	-41	-50
<b>Adjusted baseline deficit</b>	<b>438</b>	<b>690</b>	<b>543</b>	<b>528</b>	<b>862</b>	<b>719</b>	<b>781</b>	<b>954</b>	<b>1,020</b>	<b>1,049</b>	<b>1,179</b>	<b>1,533</b>	<b>3,294</b>
**\$500 million or less.													

<sup>1</sup> Includes adjustments for discretionary and mandatory program integrity.

<sup>2</sup> Consists of mandatory sequestration for 2018–2025 and discretionary cap reductions for 2018–2021.

<sup>3</sup> These amounts represent a placeholder for major disasters requiring Federal assistance for relief and reconstruction.

**Table S-8. MANDATORY AND RECEIPT PROPOSALS**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals 2017- 2026
<b>Mandatory Initiatives and Savings:</b>												
<b>Legislative Branch:</b>												
Provide additional funding for the World War I Centennial Commission .....	.....	6	7	6	.....	.....	.....	.....	.....	.....	.....	19
Agriculture:												19
Reduce premium subsidies for harvest price revenue protection and improve prevented planting coverage .....	-1,259	-1,575	-1,794	-1,843	-1,878	-1,891	-1,910	-1,937	-1,961	-1,963	-8,349	-18,011
Reauthorize Secure Rural Schools .....	178	188	105	63	40	7	.....	.....	.....	.....	574	581
Enact Food Safety and Inspection Service (FSIS) fee .....	4	4	-4	-4	-5	-5	-5	-5	-5	-5	-22	-47
Enact high-based labeling fee .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Enact Grain Inspection, Packers, and Stockyards Administration (GIPSA) fee .....	-30	-30	-30	-30	-30	-30	-30	-30	-30	-30	-150	-300
Enact Animal Plant and Health Inspection Service (APHIS) fee .....	-20	-27	-27	-28	-29	-30	-31	-32	-33	-34	-131	-291
Enact Natural Resource Conservation Service (NRCS) Conservation User Fee .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Establish Rural Housing Service Guaranteed Underwriting System Fee .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Fund the Agriculture and Food Research Initiative at the authorized level of \$100 million .....	16	114	114	81	.....	.....	.....	.....	.....	.....	.....	.....
Create State option to improve Supplemental Nutrition Assistance Program (SNAP) access for elderly .....	10	23	36	44	50	57	64	71	77	85	163	517
Establish a summer Electronic Benefits Transfer program .....	127	214	326	462	625	1,053	1,521	2,038	2,595	3,209	1,754	12,170
Increase The Emergency Food Assistance Program funding to equal 2015 levels .....	30	35	50	50	50	50	50	50	50	50	215	465
Modify SNAP simplified reporting requirements to include out-of-State moves .....	-852	-1,062	-1,224	-1,206	-1,177	-789	-341	155	693	1,312	-5,621	-4,591
Commerce:												
Enact Scale-Up Manufacturing Investment Initiative .....	155	365	365	365	365	365	365	365	365	365	.....	1,250
Create National Network for Manufacturing Innovation .....	100	200	300	350	350	350	350	350	350	350	950	1,880
Recapitalize National Oceanic and Atmospheric Administration research fleet .....	70	25	5	.....	.....	.....	.....	.....	.....	.....	100	100
Renovate lab facilities at the National Institute of Standards and Technology (NIST) .....	12	14	16	32	16	10	.....	.....	.....	.....	90	100
Support Lab to Market efforts in the Economic Development Administration .....	30	15	5	.....	.....	.....	.....	.....	.....	.....	50	50
Total, Commerce .....	112	309	591	697	731	360	300	200	90	.....	2,440	3,390
Education:												
Support Preschool for All .....	130	1,235	3,110	5,456	7,350	8,773	9,747	10,560	10,275	9,356	17,291	66,042
Enact RESPECT: Best Job in the World .....	50	200	300	300	150	280	30	.....	.....	.....	1,000	1,000
Create Computer Science for All .....	40	720	1,070	1,200	650	280	30	.....	.....	.....	3,690	4,000

**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**  
 (Deficit increases (+) or decreases (-) in millions of dollars)

	SUMMARY TABLES										Totals		
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017- 2021	2017- 2026
Expand basis for beneficiary assignment for ACOs to include Nurse Practitioners, Physician Assistants, and Clinical Nurse Specialists .....	.....	.....	.....	-10	-10	-20	-20	-20	-20	-20	-20	-40	-140
Establish quality bonus payments for high-performing Part D plans .....	.....	.....	.....	.....	.....	.....	.....	450	-1,030	-1,710	-1,940	-2,070	-2,230
Implement bundled payment for post-acute care .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	450	-9,430
Implement value-based purchasing for skilled nursing facilities (SNFs), home health agencies (HHAs), ambulatory surgical centers (ASCs), hospital outpatient departments (HOPDs), and community mental health centers .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Establish a hospital-wide readmissions reduction measure .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Extend accountability for hospital-acquired conditions .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Encourage workforce development through targeted and more accurate indirect medical education payments .....	.....	.....	-800	-1,330	-1,460	-1,560	-1,660	-1,790	-1,910	-2,040	-2,170	-2,300	-6,810
Allow the Secretary to determine Hospital-Acquired Condition Reduction Program penalty amounts and distribution .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Establish a bonus payment for hospitals cooperating with certain alternative payment models (APMs) .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Enhance competition in Medicare Advantage (MA): Reform MA payments to increase the efficiency and sustainability of the program .....	.....	.....	-2,640	-4,220	-5,690	-6,470	-6,940	-7,260	-7,690	-8,040	-8,730	-19,020	-57,680
Improve beneficiary access: Eliminate the 190-day lifetime limit on inpatient psychiatric facility services .....	.....	90	110	120	130	130	140	140	150	150	160	170	580
Repeal the rental cap for oxygen equipment .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,350
Eliminate beneficiary coinsurance for screening colonoscopies with polyp removal .....	.....	60	170	230	260	280	300	330	360	380	420	1,000	2,790
Expand the ability of Medicare Advantage organizations to pay for services delivered via telehealth .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	-10	-20	.....	-30
Establish RHC and FQHC telehealth services .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Cut waste, fraud, and improper payments in Medicare: Suspend coverage and payment for questionable Part D prescriptions and incomplete clinical information .....	.....	.....	-50	-60	-70	-60	-70	-70	-80	-90	-100	-240	-650
Retain a portion of Medicare Recovery Audit Contractor (RAC) recoveries to implement actions that prevent fraud and abuse .....	.....	110	130	70	-20	-120	-150	-180	-200	-210	-230	170	-800
Allow prior authorization for Medicare fee-for-service items .....	.....	-5	-5	-5	-5	-5	-5	-10	-10	-10	-10	-25	-75

**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**  
 (Deficit increases (+) or decreases (-) in millions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals 2017– 2021	Totals 2017– 2026
Permit exclusion from Federal Health Care Programs if affiliated with sanctioned entities ...	.....	.....	.....	.....	.....	-10	-10	-10	-10	-10	-10	-10	-70
Protect program integrity algorithms from disclosure .....	.....	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-9	-45
Allow the Secretary to reject claims for new providers and suppliers located outside non-moratorium areas .....	.....	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-5	-50
Allow civil monetary penalties for providers and suppliers who fail to update enrollment records ...	.....	-2	-2	-3	-3	-3	-3	-4	-4	-4	-4	-13	-32
Allow collection of application fees from individual providers and suppliers .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Assess a fee on physicians and practitioners who order services or supplies without proper documentation .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Establish gifting authority for the Healthcare Fraud Prevention Partnership .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Establish registration process for clearinghouses and billing agents .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Pay recovery auditor after a Qualified Independent Contractor (QIC) decision on appealed claims .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Publish the National Provider Identifier for covered recipients in the Open Payments Program .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Require a surety bond or escrow account to cover overturned recovery auditor decisions .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Address the rising cost of pharmaceuticals:													
Align Medicare drug payment policies with Medicaid policies for low-income beneficiaries .....	.....	-3,050	-7,210	-8,810	-10,570	-12,090	-14,770	-17,900	-20,170	-23,200	-29,640	-117,770	
Accelerate manufacturer discounts for brand drugs to provide relief to Medicare beneficiaries in the coverage gap .....	.....	-250	-620	-1,050	-1,200	-1,330	-1,260	-1,180	-1,350	-1,440	-3,120	-9,710	
Require mandatory reporting of other prescription drug coverage .....	.....	-10	-30	-40	-40	-50	-50	-60	-60	-70	-70	-170	-480
Establish authority for a program to prevent prescription drug abuse in Medicare Part D .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Allow the Secretary to negotiate prices for biologics and high cost prescription drugs .....	.....	-410	-720	-780	-850	-920	-1,000	-1,080	-1,170	-1,260	-2,760	-8,190	
Modify reimbursement of Part B drugs .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Require evidence development for coverage of high cost drugs .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Increase Part D plan sponsors' risk for catastrophic drug costs .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Change the Part D coverage gap discount program agreements from annually to quarterly .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Enhance efficiency in the Medicare program:													
Reduce Medicare coverage of bad debts .....	.....	-270	-1,360	-2,640	-3,350	-3,610	-3,840	-4,080	-4,340	-4,600	-4,860	-11,230	-32,950

**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**  
 (Deficit increases (+) or decreases (-) in millions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	2017– 2021	2017– 2026			
Adjust payment updates for certain post-acute care providers .....	.....	-1,020	-2,000	-3,340	-4,900	-6,570	-8,740	-10,800	-12,900	-15,170	-17,190	-17,830	-82,630				
Encourage appropriate use of inpatient rehabilitation hospitals by requiring that 75 percent of in-patient rehabilitation facility (IRR) patients require intensive rehabilitation services .....	.....	-110	-180	-200	-200	-210	-220	-230	-240	-240	-250	-900	-2,080				
Exclude certain services from the in-office ancillary services exception .....	.....	-280	-440	-490	-530	-560	-600	-640	-680	-710	-740	-4,930					
Reform Medicare hospice payments .....	.....	-150	-510	-910	-980	-1,090	-1,200	-1,320	-1,460	-1,570	-2,550	-9,190					
Recoup initial Clinical Laboratory Fee Schedule payments for advanced diagnostic laboratory payment amount .....	.....	-100	-220	-270	-290	-320	-350	-370	-400	-430	-460	-1,200	-3,210				
Provide authority to expand competitive bidding for certain durable medical equipment .....	.....	-70	-130	-140	-150	-160	-170	-170	-190	-210	-230	-650	-1,620				
Reduce Critical Access Hospital (CAH) payments from 101 percent of reasonable costs to 100 percent of reasonable costs .....	.....	-40	-80	-80	-90	-90	-100	-110	-120	-120	-140	-380	-970				
Other Medicare:																	
Strengthen the Independent Payment Advisory Board (IPAB) to reduce long-term drivers of Medicare cost growth .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	-36,806					
Clarify the calculation of the late enrollment penalty for Medicare Part B premiums .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....				
Clarify the Medicare Fraction in the Medicare Disproportionate Share Hospital (DSH) statute .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....				
Update Medicare Disproportionate Share formula for hospitals in Puerto Rico .....	.....	.....	.....	.....	.....	.....	10	10	10	10	10	20	70				
Allow beneficiaries to pay a sum certain to Medicare Networks .....	.....	.....	.....	.....	.....	.....	-5	-20	-20	-20	.....	.....	.....	-65			
Total, Medicare providers .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....				
Medicare structural reforms:																	
Increase income-related premiums under Medicare Parts B and D .....	.....	.....	.....	.....	.....	.....	1,430	-2,650	-3,740	-4,990	-6,430	-8,060	-10,200	-4,080	-37,500		
Modify the Part B deductible for new beneficiaries .....	.....	.....	.....	.....	.....	.....	-60	-80	-320	-430	-960	-1,110	-1,180	-140	-4,140		
Introduce home health copayments for new beneficiaries .....	.....	.....	.....	.....	.....	.....	-30	-80	-120	-180	-240	-310	-380	-110	-1,340		
Encourage the use of generic drugs by low-income beneficiaries .....	.....	.....	.....	.....	.....	.....	-490	-690	-760	-820	-890	-950	-1,030	-1,100	-2,760	-7,910	
Total, Medicare structural reforms .....	.....	.....	.....	.....	.....	.....	-490	-690	-2,280	-3,630	-5,070	-6,550	-8,660	-10,580	-12,940	-7,090	-50,890

**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**  
 (Deficit increases (+) or decreases (-) in millions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals
												2017– 2026
Require manufacturers that improperly report items for Medicaid drug coverage to fully repay States	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Increase penalties on drug manufacturers for fraudulent noncompliance with Medicaid drug rebate agreements	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Require drugs be properly listed with the Food and Drug Administration (FDA) to receive Medicaid coverage	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Require drug wholesalers to report wholesale acquisition costs to CMS	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Enforce manufacturer compliance with drug rebate requirements	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Strength CMS compliance tools in Medicaid managed care	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Improve quality and cost-effectiveness:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Rebalance Medicaid Disproportionate Share Hospital (DSH) allotments	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	-6,640
Require rebates less for medical loss ratios for Medicaid and CHIP managed care	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	-6,640
Extend funding for the Adult Health Quality Measures Program	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Encourage delivery system reform:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Reestablish the Medicaid primary care payment increase through CY 2017 and include additional providers	7,500	1,870	.....	.....	.....	.....	.....	.....	.....	.....	.....	9,370
Allow States to develop age-specific health home programs	210	210	90	90	90	90	90	90	90	90	90	9,370
Provide home and community-based services (HCBS) to children eligible for psychiatric residential treatment facilities	.....	78	161	169	177	185	194	204	215	226	236	1,100
Allow full Medicaid benefits for individuals in a HCBS State plan option	.....	1	1	1	1	1	1	1	1	1	1	9
Expand eligibility for the 1915(i) HCBS State plan option	7	15	24	34	44	46	48	50	52	54	54	374
Expand eligibility under the Community First Choice option	255	296	319	343	368	395	424	455	488	523	523	3,866
Pilot comprehensive long-term care State plan option	.....	753	779	809	840	872	.....	.....	.....	.....	3,181	4,053
Strengthen Medicaid drug coverage and reimbursement:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Create a Federal-State Medicaid negotiating pool for high-cost drugs	.....	-200	-410	-630	-630	-640	-650	-660	-670	-680	-2,510	-5,830
Correct Affordable Care Act (ACA) Medicaid rebate formula for new drug formulations and exempt abuse deterrent formulations	.....	-410	-410	-415	-425	-425	-435	-440	-440	-445	-2,085	-4,285
Exclude authorized generics from Medicaid brand-name rebate calculations	.....	-20	-20	-20	-20	-20	-20	-20	-20	-20	-100	-200

**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017- 2026	Totals
Exclude brand-name and authorized generic drug prices from Medicaid Federal upper limit (FUL) ...	... -30	-60	-90	-90	-100	-100	-100	-100	-100	-100	-100	-370	-870
Clarify the Medicaid definition of brand drugs to prevent inappropriate low rebates ...	... -21	-21	-21	-26	-26	-26	-26	-31	-31	-31	-31	-115	-260
Additional improvements to the Medicaid drug rebate program ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total Medicaid and Children's Health Insurance Program ...	... 8,824	6,985	6,119	2,019	2,422	2,348	1,182	1,603	1,789	4,045	26,369	29,166	.....
Other health:													
Medicare-Medicaid enrollees:													
Ensure retroactive Part D coverage of newly-enrollable low-income beneficiaries ...	.....	.....	.....	-40	-50	-60	-60	-70	-70	-80	-90	-430	.....
Establish integrated appeals process for Medicare-Medicaid enrollees ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Allow for Federal/State coordinated review of Duals Special Need Plan marketing materials ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Align Medicare Savings Program income and asset definitions with Part D low-income subsidy definitions ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total Medicare-Medicaid enrollees ...	... 31	32	34	34	35	38	40	42	45	48	51	169	394
Pharmaceutical savings:													
Prohibit brand and generic drug companies from delaying the availability of new generic drugs and biologics ...	... -930	-1,010	-1,100	-1,190	-1,290	-1,400	-1,500	-1,610	-1,730	-1,840	-5,520	-13,600	.....
Modify length of exclusivity to facilitate faster development of generic biologics ...	.....	... -10	-240	-630	-810	-910	-1,040	-1,100	-1,160	-1,280	-1,390	-7,180	.....
Establish transparency and reporting requirements in pharmaceutical drug pricing ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total pharmaceutical savings ...	... -930	-1,020	-1,340	-1,820	-2,100	-2,310	-2,540	-2,710	-2,890	-3,120	-7,210	-20,780	.....
Public health and workforce investments:													
Support Teaching Health Centers Graduate Medical Education (GME) ...	.....	... 74	214	141	99	.....	.....	.....	.....	.....	.....	528	528
Support Children's Hospital GME ...	.....	130	269	286	292	295	165	27	9	2	.....	1,475	1,475
Invest in the National Health Service Corps ...	.....	227	729	770	575	81	40	8	.....	.....	2,301	2,430	.....
Extend Health Centers ...	.....	75	1,987	3,388	1,695	181	108	36	.....	.....	7,206	7,350	.....
Extend special diabetes program at National Institutes of Health (NIH) and the Indian Health Service (IHS) permanently ...	.....	180	266	291	296	298	300	300	300	300	1,033	2,631	.....
Fund a dedicated Mental Health Initiative ...	.....	87	218	150	37	8	.....	.....	.....	.....	500	500	.....
Expand access to treatment for prescription drug abuse and heroin use ...	.....	154	426	321	68	25	6	.....	.....	.....	994	1,000	.....
Total public health and workforce investments ...	... 446	3,261	5,954	3,294	1,479	658	403	317	302	300	13,834	15,814	.....
Medicare appeals:													
Provide Office of Medicare Hearings and Appeals and Department Appeals Board authority to use RAC collections ...	.....	127	127	127	127	127	127	127	127	127	127	635	1,270

MID-SESSION REVIEW

## SUMMARY TABLES

**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017-2026
Establish Medicare appeals refundable filing fee ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Remand appeals to the redetermination level with the introduction of new evidence .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Sample and consolidate similar claims for administrative efficiency .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Increase minimum amount in controversy for administrative law judge (ALJ) adjudication of claims to equal amount required for judicial review .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Establish magistrate adjudication for claims with amount in controversy below new ALJ amount in controversy threshold .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Expedite procedures for claims with no material fact in dispute .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total, Medicare appeals .....	127	127	127	127	127	127	127	127	127	127	127	635 1,270
Health information technology (IT):												
Add certain behavioral health providers to the Electronic Health Record (EHR) incentive Programs .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Establish health IT governance certification .....	1,710	910	910	910	910	490	330	50	40	30	4,440	5,380
Prohibit information blocking and associated business practices .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Require health IT transparency .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Provide the Office of the National Coordinator for Health IT (ONC) authority to issue grants or cooperative agreements to establish a Health IT Safety Collaborative to provide adequate confidentiality protections .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total, health information technology .....	1,710	910	910	910	490	330	50	40	30	4,440	5,380	
Program implementation investments:												
Provide CMS Program Management implementation funding .....	25	300	75	.....	.....	.....	.....	.....	.....	400	400	5,380
Allow CMS to reinvest civil monetary penalties recovered from home health agencies .....	1	1	1	1	1	1	1	1	1	1	5	10
Allow CMS to assess fee on Medicare providers for payments subject to the Federal Payment Levy Program .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total, program implementation investments .....	26	301	76	1	1	1	1	1	1	1	405	410
Private health insurance:												
Standardize definition of American Indian and Alaska Native in the ACA .....	40	50	50	60	60	60	70	70	70	260	590	590
Increase access to consumer protections in non-Federal governmental self-insured health plans .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Eliminate surprise out-of-network health care charges for privately insured patients .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Develop uniform and transparent consumer health care bills .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**  
*(Deficit increases (+) or decreases (-) in millions of dollars)*

(Deficit increases (+) or decreases (-) in millions of dollars)

**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017–2026 Totals
Eliminate Abstinence Education Program .....	-1	-50	-23	-1	.....	.....	.....	.....	43	43	43	-75
Expand Child Welfare Regional Partnership Grants and the Tribal Court Improvement Program .....	1	25	38	41	42	43	43	43	43	43	43	147
Repurpose TANF contingency fund to support Pathways to Jobs initiative .....	585	1,087	1,567	1,862	2,130	445	132	102	65	22	.....	362
Increase TANF Block Grant .....	29	96	148	168	195	.....	.....	.....	.....	.....	.....	7,987
Establish TANF Economic Response Fund .....	1	40	388	454	486	480	108	39	5	.....	.....	636
Fund Emergency Aid and Service Connection Grants .....	5	25	37	45	50	45	25	12	5	.....	.....	1,369
Provide grants for Statewide Human Services Data Systems .....	.....	11,682	7,296	-1,193	-13,986	-21,158	-30,533	-39,192	-47,994	-54,977	-70,348	-17,360 -260,404
Total, Health and Human Services .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Homeland Security:												
Reform the aviation passenger security user fee to more accurately reflect the costs of aviation security .....	.....	-410	-490	-550	-410	-400	-390	-380	-370	-2,000	-1,860	-5,400
Increase customs user fees <sup>6</sup> .....	-86	-93	-102	-112	-125	-135	-146	-158	-170	.....	-518	-1,127
Increase immigration inspection user fees .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Increase Express Conignment Courier fees <sup>5</sup> .....	-6	-6	-7	-7	-9	-9	-10	-10	-10	.....	-35	-74
Establish user fee for Electronic Visa Update System <sup>7</sup> .....	.....	-92	-509	-599	-669	-544	-544	-546	-548	-550	-2,000	-2,413 -6,601
Total, Homeland Security .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Housing and Urban Development:												
Provide funding or grants to reduce local barriers to housing development .....	6	30	45	81	81	51	6	.....	.....	.....	243	300
End family homelessness .....	79	359	616	813	998	1,204	1,410	1,618	1,829	2,041	2,865	10,987
Total, Housing and Urban Development .....	85	389	661	894	1,079	1,255	1,416	1,618	1,829	2,041	3,108	11,297
Interior:												
Provide a fair return to taxpayers for the use of public resources:												
Enact Federal oil and gas management reforms .....	.....	-20	-70	-90	-110	-120	-140	-150	-170	-180	-190	-410 -1,240
Reform hardrock mining on public lands .....	.....	-2	-4	-5	-5	-6	-6	-6	-11	-17	-24	-16 -80
Repeal geothermal payments to counties .....	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-5	-41 -20
Enact offshore energy revenue reform .....	.....	-286	-310	-339	-376	-376	-380	-384	-388	-410	-1,311	-3,254
Total, provide a fair return to taxpayers for the use of public resources .....	.....	-24	-362	-408	-458	-505	-526	-540	-569	-594	-629	-1,757 -4,615
Ensure industry is held responsible for legacy pollution and risks to safety:												
Establish an Abandoned Mine Lands (AML) hardrock reclamation fund <sup>3</sup> .....	.....	-200	-150	-100	-60	.....	.....	.....	.....	.....	-500	-500
Increase coal AML fee to pre-2006 levels <sup>3</sup> .....	-49	-38	-25	-15	-8	52	40	23	13	5	-135	-2
Terminate AML payments to certified States .....	-6	-31	-63	-82	-90	-92	-73	-41	-28	-14	-272	-520
Fund abandoned mine lands reclamation and economic revitalization .....	50	112	152	182	200	150	88	48	18	.....	696	1,000
Total, ensure industry is held responsible for legacy pollution and risks to safety .....	.....	-6	-157	-86	-15	52	110	56	30	3	-9	-211 -22

**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017– 2026
<b>Conserv natural resources for future generations and provide recreation access to the public:</b>												
Establish dedicated funding for Land and Water Conservation Fund (LWCF) programs	.....	129	474	983	977	918	900	900	900	900	3,486	7,986
Establish a dedicated Coastal Climate Resilience Fund from offshore energy revenues	.....	40	100	140	170	200	200	200	200	200	650	1,650
Reauthorize the Federal Lands Transaction Facilitation Act of 2000 (FLTFA)	.....	-5	-6	-10	-12	-3	.....	.....	.....	.....	-36	-36
Permanently Reauthorize the Federal Lands Recreation Enhancement Act (FLREA)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Provide funding for a National Park Service Centennial Initiative	.....	28	275	473	431	177	-1	-9	-8	-4	1,384	1,353
Total, conserve natural resources for future generations and provide recreation access to the public	.....	192	843	1,591	1,566	1,292	1,099	1,091	1,092	1,086	5,484	10,953
<b>Maintain commitments to communities and insular territories:</b>												
Provide mandatory funding for tribal contract support costs:	.....	.....	19	32	43	11	.....	.....	.....	.....	105	105
PAYGO effects	.....	212	287	283	299	305	311	317	324	329	1,091	2,677
Nonsensical reclassification	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total, provide mandatory funding for tribal contract support costs	.....	231	319	336	310	305	311	317	324	329	1,196	2,782
<i>Annual reduction to discretionary spending limits (non-add)</i>												
Extend the Palau Compact of Free Association	.....	46	-212	-287	-293	-299	-305	-311	-317	-324	-329	-1,091
Extend funding for Payments in Lieu of Taxes (PILT) .....	.....	46	26	20	17	15	14	14	6	5	.....	-2,677
Improve coal miner retiree health and pension benefits .....	.....	480	.....	.....	.....	.....	.....	.....	.....	.....	124	149
Total, maintain commitments to communities and insular territories	.....	375	394	407	414	418	428	430	431	434	436	2,008
Total, Interior	.....	901	651	746	767	743	747	747	753	758	765	3,808
<b>Justice:</b>												
Provide funding for 21st Century Justice grants to incentivize justice reform	.....	110	300	475	500	500	500	500	500	500	1,885	4,385
Labor:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Establish an American Talent Compact	.....	600	600	600	600	600	600	600	600	600	3,000	3,000
Create Career Navigators Program	.....	400	400	400	400	400	400	400	400	400	2,000	2,000
Create Opening Doors for Youth program	.....	2,035	2,035	715	715	715	715	715	715	715	5,500	5,500
Create an Apprenticeship Training Fund	.....	400	400	400	400	400	400	400	400	400	2,000	2,000
Establish Paid Leave Partnership Initiative	.....	221	664	664	664	664	664	664	664	664	2,213	2,213
Improve Pension Benefit Guaranty Corporation (PBGC) solvency	.....	-1,119	-1,128	-1,181	-1,283	-1,319	-1,520	-1,774	-1,874	-3,205	-957	-6,030
Unemployment Insurance Modernization and Reform: <sup>7</sup>	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Strengthen Unemployment Insurance (UI) system solvency	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total, Mid-Session Review	.....	3,556	4,356	-3,846	-4,686	-5,449	-5,273	-5,752	-6,832	-7,832	-16,444	-47,572

## SUMMARY TABLES

**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	2017- 2021	2017- 2026
Improve UI Extended Benefits .....	770	2,045	2,539	2,965	3,473	3,970	4,186	5,423	5,953	5,751	11,792	37,075		
Moderate UI <sup>3</sup> .....	2,056	2,527	1,194	1,141	920	825	1,307	1,233	1,233	1,332	7,838	13,812		
Expand Short-Time Compensation .....	27	37	40	43	47	52	53	62	69	70	194	500		
Create a wage insurance program .....	.....	294	912	1,245	1,294	1,339	1,387	1,428	1,477	1,521	3,745	10,897		
Improve UI program integrity <sup>3</sup> .....	.....	-68	-135	-178	-204	-183	-166	-149	-137	-121	-123	-768	-1,464	
Implement cap adjustments for UI program integrity <sup>3,8</sup> .....	.....	-79	-60	7	11	12	11	10	9	7	-109	-65		
<i>Outlays from reduction to discretionary spending limits (non-add)</i> .....	.....	-154	-157	-160	-163	-167	-170	-173	-177	-180	-634	-1,501		
<i>Outlays from program integrity discretionary cap adjustment (non-add)</i> .....	.....	30	5	.....	.....	.....	.....	.....	.....	.....	.....	35	35	
Create mandatory Reemployment Services and Eligibility	.....	-35	-330	-343	-321	-304	-285	-267	-241	-185	-109	-1,229	-2,281	
Assessment program <sup>9</sup> .....	.....	25	50	25	.....	.....	.....	.....	.....	.....	100	100		
Pilot models for providing multiple employer benefits .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Expand Foreign Labor Certification fees .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Total, Labor .....	5,268	4,138	1,451	2,508	637	-1,242	-508	125	-1,686	-416	14,002	10,275		
Treasury:														
Establish a Pay for Success Incentive Fund .....	29	21	10	24	40	56	46	42	42	27	5	124	300	
Authorize Treasury to locate and recover assets of the United States and to retain a portion of amounts collected to pay for the costs of recovery .....	.....	-8	-8	-8	-8	-8	-9	-9	-9	-9	-9	-40	-85	
Increase delinquent Federal non-tax debt collections by authorizing administrative bank garnishment for non-tax debts .....	.....	-32	-32	-32	-32	-32	-32	-32	-32	-32	-32	-160	-320	
Allow offset of Federal income tax refunds to collect delinquent State income taxes for out-of-State residents .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Reduce costs for States collecting delinquent income tax obligations .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,491	1,500	
Reauthorize the State Small Business Credit Initiative .....	219	578	241	318	135	5	4	.....	.....	.....	.....	.....	.....	
Implement tax enforcement program integrity cap adjustment <sup>10</sup> .....	.....	-278	-1,585	-3,363	-6,763	-8,327	-9,264	-9,590	-9,737	-9,814	-16,897	-63,629		
<i>Outlays from discretionary cap adjustment (non-add)</i> .....	458	890	1,255	1,622	1,996	2,125	2,153	2,180	2,206	2,231	6,221	17,116		
Create a Financing America's Infrastructure Renewal (FAIR) program .....	2	2	2	2	2	2	2	2	2	2	2	20	20	
Establish Financial Innovation for Working Families Challenge and Demonstration Grants .....	15	45	40	.....	.....	.....	.....	.....	.....	.....	100	100		
Provide alimony for Puerto Rico earned income tax credit (EITC) payments .....	601	613	626	640	655	670	685	701	717	734	3,135	6,642		
Total, Treasury .....	548	-366	-2,384	-4,064	-5,971	-7,635	-8,568	-8,896	-9,032	-9,114	-12,237	-55,472	43	
Veterans Affairs (VA):														
Extend round-down of cost of living adjustments (compensation) .....	.....	-21	-64	-120	-169	-225	-246	-258	-272	-286	-291	-599	-1,952	
Extend round-down of cost of living adjustments (education) .....	.....	-1	-1	-1	-2	-2	-2	-2	-2	-3	-2	-7	-18	

**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**  
 (Deficit increase (+) or decrease (-), in millions of dollars)

(Deficit increases (+) or decreases (-) in millions of dollars)

## SUMMARY TABLES

**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017– 2026	Totals
Eliminate statutory cap on pre-manufacture notice fee ...	.....	-4	-8	-8	-8	-8	-8	-8	-8	-8	-8	-36	-76
Enact confidential business information management fee ...	.....	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-4	-4
Lift restrictions on EPA spending of Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) pesticide fees ...	.....	6	6	1	1	1	1	1	1	1	1	14	14
Total, Environmental Protection Agency	.....	2	-4	-9	-7	-8	-8	-8	-8	-8	-8	-26	-66
General Services Administration:													
Establish an Information Technology Modernization Fund ...	1,500	600	750	.....	.....	.....	.....	.....	.....	.....	.....	2,850	2,850
National Aeronautics and Space Administration (NASA):													
Provide additional R&D funding for NASA ...	325	283	56	.....	.....	.....	.....	.....	.....	.....	.....	664	664
National Science Foundation (NSF):													
Provide additional R&D funding for NSF ...	77	157	88	34	13	4	4	4	4	23	.....	369	400
Other Defense—Civil Programs:													
Increase TRICARE pharmacy copayments ...	-35	-54	-93	-351	-394	-433	-507	-601	-724	-767	-927	-3,959	
Increase annual premiums for TRICARE For Life (TFL) enrollment ...	-3	-16	-44	-85	-117	-153	-192	-235	-281	-332	-365	-1,458	
Increase TRICARE pharmacy copayments (facial effects) ...	322	338	355	374	394	415	438	463	487	514	1,783	4,100	
Increase annual premiums for TFL enrollment (acral effects) ...	281	286	294	303	311	328	346	366	385	408	1,475	3,308	
Enact changes to the military retirement reform enacted in the 2016 National Defense Authorization Act <sup>9</sup> ...	-394	-398	-381	-373	-311	-303	-299	-294	-287	-281	-1,857	-3,321	
Total, Other Defense—Civil Programs	.....	171	156	131	-132	-117	-146	-214	-301	-420	-458	209	-1,330
Office of Personnel Management:													
Streamline Federal Employee Health Benefit Plan (FEHBP) pharmacy benefit contracting ...	.....	-69	-127	-141	-151	-161	-173	-184	-198	-212	-212	-488	-1,416
Expand FEHBP plan types ...	.....	-1	-3	-5	-7	-8	-12	-15	-18	-19	-19	-16	-88
Adjust FEHBP premiums for wellness ...	.....	5	-11	-47	-81	-119	-164	-233	-315	-421	-421	-134	-1,386
Adjust FEHBP premiums for infants born to daughters of FEHBP enrollees for 30 days ...	.....	11	31	36	37	39	43	45	52	51	51	115	345
Add FEHBP to the Federal Anti-Kickback Statute ...	.....	.....	-64	-110	-157	-202	-249	-306	-387	-479	-601	-523	-2,545
Social Security Administration (SSA):													
Hold fraud facilitators liable for overpayments <sup>9</sup> ...	.....	.....	.....	-1	-1	-1	-1	-1	-1	-1	-1	-3	-8
Allow Government-wide use of Customs and Border Protection (CBP) entry/exit data to prevent improper payments ...	.....	.....	.....	.....	-1	-5	-11	-20	-26	-31	-40	-43	-177
Lower electronic wage reporting threshold to five employees ...	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
More from annual to quarterly wage reporting ...	20	30	90	-119	-126	-148	-178	-203	-225	-270	-270	-105	-1,129
Improve collection of pension information and transition to an alternative approach based on years of non-covered earnings after 10 years ...	18	28	24	-433	-1,002	-1,350	-1,421	-1,318	-1,246	-1,142	-1,365	-7,842	
Establish workers' compensation information reporting ...	5	5	.....	.....	.....	.....	.....	.....	.....	.....	.....	10	10

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (-) in millions of dollars)

## SUMMARY TABLES

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**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals
												2017– 2026 -300
Auction or assign via fee 1675–1860 megahertz .....	.....	.....	.....	-150	-150	.....	.....	.....	.....	.....	.....	-300
Establish a consolidated TRICARE program mandatory effects in Coast Guard, Public Health Service and National Oceanic and Atmospheric Administration) .....	.....	1	-6	-11	-12	-13	-15	-17	-18	-20	-22	-41
Establish Interagency Coordinating Council on Workforce Attachment .....	51	51	51	51	51	51	51	51	51	51	51	204
Index the \$750 officer of SSA benefits to inflation (Student Aid Bill of Rights proposal) .....	1,890	9	14	21	27	33	40	46	53	60	1,961	2,193
Enact 21st Century Clean Transportation Plan .....	5,313	14,615	22,468	30,462	35,484	35,875	35,846	39,477	22,728	16,668	108,342	246,936
Establish Family Energy Assistance Fund .....	1,445	2,963	4,343	5,770	7,157	8,465	8,624	8,766	8,892	9,022	21,618	65,387
Mandatory offsets of proposed to authority additional Afghan Special Immigrant Visas .....	12,700	20,530	21,753	26,158	22,670	24,374	17,509	9,286	-2,352	-8,256	103,851	144,432
Total, mandatory initiatives and savings .....	-150	30,668	31,832	21,803	14,983	2,986	-5,792	-19,069	-30,658	-44,303	-65,883	101,482
<b>Total, mandatory initiatives and savings .....</b>	<b>-150</b>	<b>30,668</b>	<b>31,832</b>	<b>21,803</b>	<b>14,983</b>	<b>2,986</b>	<b>-5,792</b>	<b>-19,069</b>	<b>-30,658</b>	<b>-44,303</b>	<b>-65,883</b>	<b>101,482</b>
<b>Total, mandatory initiatives and savings .....</b>	<b>-150</b>	<b>30,668</b>	<b>31,832</b>	<b>21,803</b>	<b>14,983</b>	<b>2,986</b>	<b>-5,792</b>	<b>-19,069</b>	<b>-30,658</b>	<b>-44,303</b>	<b>-65,883</b>	<b>101,482</b>
<b>Total, mandatory initiatives and savings .....</b>	<b>-150</b>	<b>30,668</b>	<b>31,832</b>	<b>21,803</b>	<b>14,983</b>	<b>2,986</b>	<b>-5,792</b>	<b>-19,069</b>	<b>-30,658</b>	<b>-44,303</b>	<b>-65,883</b>	<b>101,482</b>
<b>Total, mandatory initiatives and savings .....</b>	<b>-150</b>	<b>30,668</b>	<b>31,832</b>	<b>21,803</b>	<b>14,983</b>	<b>2,986</b>	<b>-5,792</b>	<b>-19,069</b>	<b>-30,658</b>	<b>-44,303</b>	<b>-65,883</b>	<b>101,482</b>
<b>Total, mandatory initiatives and savings .....</b>	<b>-150</b>	<b>30,668</b>	<b>31,832</b>	<b>21,803</b>	<b>14,983</b>	<b>2,986</b>	<b>-5,792</b>	<b>-19,069</b>	<b>-30,658</b>	<b>-44,303</b>	<b>-65,883</b>	<b>101,482</b>
<b>Total, mandatory initiatives and savings .....</b>	<b>-150</b>	<b>30,668</b>	<b>31,832</b>	<b>21,803</b>	<b>14,983</b>	<b>2,986</b>	<b>-5,792</b>	<b>-19,069</b>	<b>-30,658</b>	<b>-44,303</b>	<b>-65,883</b>	<b>101,482</b>
<b>Total, mandatory initiatives and savings .....</b>	<b>-150</b>	<b>30,668</b>	<b>31,832</b>	<b>21,803</b>	<b>14,983</b>	<b>2,986</b>	<b>-5,792</b>	<b>-19,069</b>	<b>-30,658</b>	<b>-44,303</b>	<b>-65,883</b>	<b>101,482</b>
<b>Total, mandatory initiatives and savings .....</b>	<b>-150</b>	<b>30,668</b>	<b>31,832</b>	<b>21,803</b>	<b>14,983</b>	<b>2,986</b>	<b>-5,792</b>	<b>-19,069</b>	<b>-30,658</b>	<b>-44,303</b>	<b>-65,883</b>	<b>101,482</b>
<b>Total, mandatory initiatives and savings .....</b>	<b>-150</b>	<b>30,668</b>	<b>31,832</b>	<b>21,803</b>	<b>14,983</b>	<b>2,986</b>	<b>-5,792</b>	<b>-19,069</b>	<b>-30,658</b>	<b>-44,303</b>	<b>-65,883</b>	<b>101,482</b>
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<b>Total, mandatory initiatives and savings .....</b>	<b>-150</b>	<b>30,668</b>	<b>31,832</b>	<b>21,803</b>	<b>14,983</b>	<b>2,986</b>	<b>-5,792</b>	<b>-19,069</b>	<b>-30,658</b>	<b>-44,303</b>	<b>-65,883</b>	<b>101,482</b>
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**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017– 2026	Totals
Increase the limitations for deductible new business expenditures and consolidated provisions for start-up and organizational expenditures .....	487	481	474	470	463	466	463	458	453	449	430	4,669	
Expand and simplify the tax credit provided to qualified small employers for non-elective contributions to employee health insurance .....	56	60	57	45	55	36	29	11	7	278	416		
Total simplification and tax relief for small business .....	8,060	7,300	5,080	4,709	4,493	4,027	3,770	3,746	3,715	3,745	29,642	48,645	
Incentives for job creation, manufacturing, research, and clean energy:													
Enhance and simplify research incentives .....	946	1,875	2,131	2,378	2,625	2,873	3,120	3,371	3,629	3,896	9,955	26,844	
Extend and modify certain employment tax credits, including incentives for hiring veterans .....	2	7	9	511	1,062	1,194	1,308	1,406	1,492	1,573	1,591	8,564	
Provide new Manufacturing Communities tax credit .....	97	277	483	619	633	751	788	677	417	107	2,169	4,909	
Provide Community College Partnership Tax Credit .....	109	277	380	406	405	273	124	96	79	64	1,577	2,213	
Designate Promise Zones .....	287	597	662	795	865	798	751	716	697	688	3,206	6,856	
Modify and permanently extend renewable electricity production tax credit and investment tax credit .....	133	324	689	1,377	2,925	2,473	766	2,966	5,960	7,382	5,448	24,965	
Modify and permanently extend the deduction for energy-efficient commercial building property .....	171	294	296	292	285	277	272	266	262	260	1,338	2,675	
Provide a carbon dioxide investment and sequestration tax credit .....	9	34	47	48	386	707	407	787	672	333	524	3,430	
Provide additional tax credits for investment in qualified property used in a qualifying advanced energy manufacturing project .....	74	194	1,118	787	111	4	-34	-28	-14	-3	2,284	2,209	
Extend the tax credit for second-generation biofuel production .....	12	22	27	34	43	53	51	39	27	16	138	324	
Provide a tax credit for the production of advanced technology vehicles .....	316	280	405	705	632	382	198	-53	-190	-203	2,118	2,452	
Provide a tax credit for medium and heavy-duty alternative-fuel commercial vehicles .....	74	126	125	121	120	78	19	.....	.....	.....	566	663	
Modify and extend the tax credit for the construction of energy-efficient new homes .....	82	182	238	268	288	306	323	351	382	405	1,058	2,825	
Total, incentives for job creation, manufacturing, research, and clean energy .....	2,312	4,469	6,610	8,341	10,440	10,169	8,993	10,594	13,403	14,498	32,172	88,929	
Incentives to promote regional growth:													
Modify and permanently extend the New Markets tax credit .....	-1	.....	.....	.....	97	278	483	716	970	1,235	1,506	375	5,284
Reform and expand the Low-Income Housing tax credit .....	11	102	276	512	776	1,041	1,319	1,586	1,874	2,178	1,677	9,875	
Total, incentives to promote regional growth .....	11	102	276	609	1,054	1,524	2,035	2,556	3,109	3,683	2,052	14,359	
Incentives for investment in infrastructure:													
Provide America First Forward Bonds and expand eligible uses .....	1	4	10	15	20	26	32	38	44	48	50	21	46
Allow eligible uses of America First Forward Bonds to include financing all qualified private activity bond program categories .....	1	5	5	5	5	5	5	5	5	5	5	21	46
Allow current refundings of State and local governmental bonds .....	1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	

## MID-SESSION REVIEW

**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017–2021	2017–2026	Totals
Repeal the \$150 million non-hospital bond limitation on all qualified 501(c)(3) bonds .....	.....	1	3	5	7	9	11	13	16	17	16	82	82	
Increase national limitation amount for qualified highway or surface freight transfer facility bonds .....	2	10	25	43	58	67	65	63	69	55	138	447	447	
Provide a new category of qualified private activity bonds for infrastructure projects referred to as qualified public infrastructure bonds .....	25	113	240	369	496	601	631	668	683	696	1,243	4,542	4,542	
Modify qualified private activity bonds for public education facilities .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Modify treatment of banks investing in tax-exempt bonds .....	9	35	128	223	315	402	489	570	625	616	710	3,412	3,412	
Repeal tax-exempt bond financing of professional sports facilities .....	-3	-11	-21	-35	-47	-59	-71	-83	-95	-107	-117	-532	-532	
Allow more flexible research arrangements for purposes of private business use limits .....	.....	.....	.....	1	1	1	3	3	3	4	2	16	16	
Modify tax-exempt bonds for Indian tribal governments .....	4	12	12	12	12	12	12	12	12	12	12	52	112	
Total, incentives for investment in infrastructure .....	38	169	402	638	867	1,064	1,197	1,288	1,352	1,345	2,114	8,380	8,380	
Eliminate fossil fuel tax preferences:														
Treat publicly-traded partnerships for fossil fuels as C corporations .....	.....	.....	.....	.....	.....	.....	-204	-294	-299	-313	-326	.....	.....	-1,426
Eliminate oil and natural gas preferences:														
Repeal enhanced oil recovery credit .....	-108	-275	-435	-601	-729	-806	-844	-866	-885	-906	-926	-4,455	-4,455	
Repeal credit for oil and natural gas produced from marginal wells .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Repeal expensing of intangible drilling costs .....	-794	-1,293	-1,228	-1,436	-1,359	-1,045	-764	-545	-437	-399	-610	-9,300	-9,300	
Repeal reduction for tertiary injectants .....	-2	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4	-38	-38	
Repeal exception to passive loss limitations for working interests in oil and natural gas properties .....	-7	-12	-12	-11	-11	-10	-10	-10	-9	-9	-53	-101	-101	
Repeal percentage depletion for oil and natural gas wells .....	-329	-525	-494	-471	-424	-376	-331	-283	-284	-165	-2,243	-3,682	-3,682	
Repeal domestic manufacturing deduction for oil and natural gas production .....	-405	-723	-750	-777	-804	-831	-860	-890	-920	-951	-3,459	-7,911	-7,911	
Increase geological and geophysical amortization period for independent producers to seven years .....	-52	-192	-293	-271	-202	-136	-70	-23	-11	-14	-1010	-1,264	-1,264	
Subtotal, eliminate oil and natural gas preferences .....	-1,697	-3,024	-3,216	-3,571	-3,533	-3,208	-2,883	-2,621	-2,550	-2,448	-15,041	-28,751	-28,751	
Eliminate coal preferences:														
Repeal exploration and development costs .....	-13	-23	-23	-24	-25	-27	-28	-26	-25	-24	-108	-288	-288	
Repeal percentage depletion for hard mineral fossil fuels .....	-65	-112	-107	-111	-88	-79	-72	-64	-56	-51	-483	-805	-805	
Repeal capital gains treatment for royalties .....	-26	-52	-53	-55	-58	-61	-61	-62	-62	-63	-244	-553	-553	
Repeal domestic manufacturing deduction for the production of coal and other hard mineral fossil fuels .....	-6	-12	-12	-13	-13	-14	-14	-15	-15	-16	-56	-130	-130	
Subtotal, eliminate coal preferences .....	-110	-199	-195	-203	-184	-191	-175	-167	-158	-164	-391	-1,726	-1,726	
Total, eliminate fossil fuel tax preferences .....	-1,807	-3,223	-3,411	-3,774	-3,717	-3,593	-3,342	-3,087	-3,021	-2,928	-15,832	-31,903	-31,903	49

Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued

(Deficit increases (+) or decreases (-) in millions of dollars)

**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017–2026 Totals
<b>Total, middle-class and pro-work tax reforms .....</b>												
Reforms to retirement and health benefit plans:												
Provide for automatic enrollment in IRAs, including a small employer plan start-up costs, and provide an additional tax credit for small employer plans newly offering auto-enrollment .....	.....	963	1,556	1,684	1,736	1,784	1,836	1,984	2,124	2,233	5,939	15,850
Expand penalty-free withdrawals for long-term unemployed .....	.....	226	231	235	240	245	250	255	260	265	270	1,177
Require retirement plans to allow long-term part-time workers to participate .....	.....	46	47	49	50	51	52	53	55	56	57	243
Facilitate annuity portability .....	.....	5	6	2	4	-19	-38	-62	-91	-127	-173	-10
Simplify minimum required distribution rules .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	-501
Allow all inherited plan and IRA balances to be rolled over within 60 days .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Permit unaffiliated employers to maintain a single multi-employer defined contribution plan .....	.....	68	119	142	155	173	183	194	203	212	233	657
Improve the exercise tax on high-cost employer-sponsored health coverage .....	.....	345	1,366	1,984	2,194	2,298	2,372	2,502	2,623	2,786	3,211	1,682
Total, reforms to retirement and health benefit plans .....	.....	69	112	141	176	212	256	321	381	428	441	2,411
Reforms to capital gains taxation, upper-income tax benefits, and the taxation of financial institutions:												
Reduce the value of certain tax expenditures .....	.....	-30,231	-49,050	-53,193	-57,898	-62,344	-66,505	-70,733	-74,913	-79,079	-83,366	-252,716
Reform the taxation of capital income .....	.....	-14,960	-24,374	-20,364	-21,192	-23,073	-23,280	-24,457	-25,768	-27,036	-28,414	-104,563
Implement the Buffett Rule by imposing a new “Fair Share Tax” .....	.....	-7,981	270	-1,102	-28,829	-3,688	-3,788	-3,878	-3,987	-4,029	-4,119	-15,330
Impose a financial fee .....	.....	-5,613	-11,004	-10,864	-11,068	-11,311	-11,560	-11,815	-12,075	-12,340	-12,612	-19,860
Total, reforms to capital gains taxation, upper-income tax benefits, and the taxation of financial institutions .....	.....	-58,765	-84,158	-85,923	-93,687	-104,416	-105,133	-110,913	-116,693	-122,484	-128,511	-422,689
Loophole closers:												
Require current inclusion in income of accrued market discount and limit the accrual amount for distressed debt .....	.....	-4	-12	-20	-28	-34	-42	-50	-58	-69	-79	-396
Require that the cost basis of stock that is a covered security must be determined using an average cost basis method .....	.....	.....	-76	-228	-383	-546	-639	-660	-686	-714	-744	-1,233
Require non-spouse beneficiaries of deceased IRA owners and retirement plan participants to take inherited distributions over no more than five years .....	.....	-3,492	-3,508	-3,359	-3,225	-3,121	-2,557	-1,939	-1,592	-1,468	-1,346	-16,705
Limit the total accrual of tax-favored retirement benefits .....	.....	-111	-285	-471	-660	-853	-891	-841	-780	-718	-654	-2,380
Rationalize Net Investment Income and SECA taxes .....	.....	-1,638	-2,349	-2,493	-2,672	-2,942	-3,104	-3,453	-3,564	-3,879	-4,217	-12,094
Limit Roth conversions to pre-tax dollars .....	.....	-14,721	-20,787	-22,237	-23,618	-24,474	-25,379	-26,409	-27,622	-28,702	-30,010	-105,837
Eliminate deduction for dividends on stock of publicly-traded corporations held in ESOPs .....	.....	-702	-945	-962	-978	-995	-1,011	-1,028	-1,044	-1,062	-1,079	-4,582
												-9,806

**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017–2026
Repeal exclusion of net unrealized appreciation in employer securities .....	.....	-16	-27	-28	-13	-4	-4	12	23	23	24	-88 -10
Disallow the deduction for charitable contributions that are a prerequisite for purchasing tickets to college sporting events .....	.....	-147	-232	-250	-267	-284	-301	-319	-339	-359	-380	-1,180 -2,878
Total, loophole closers .....	.....	-20,831	-28,295	-30,058	-31,860	-33,273	-33,948	-34,708	-35,690	-36,580	-38,584	-144,248 -324,168
Modify estate and gift tax provisions:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Restore the estate, gift, and generation-skipping transfer (GST) tax parameters in effect in 2009 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Expand requirement of consistency in value for transfer and income tax purposes .....	.....	-141	-141	-167	-173	-183	-197	-208	-226	-241	-262	-1,677
Modify transfer tax rules for grantor retained annuity trusts (GRATs) and other grantor trusts .....	.....	-1,116	-1,224	-1,464	-1,611	-1,948	-2,358	-2,711	-3,166	-3,371	-5,415	-18,969
Limit duration of GST tax exemption .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Extend the lien on estate tax deferrals where estate consists largely of interest in closely held business .....	.....	-24	-25	-25	-27	-28	-29	-31	-33	-35	-101	-257
Modify GST tax treatment of Health and Education Exclusion Trusts .....	.....	35	32	30	29	27	26	24	23	20	126	246
Simplify gift tax exclusion for annual gifts .....	.....	-84	-158	-258	-336	-413	-453	-518	-656	-769	-836	-3,675
Expand applicability of definition of executor .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total, modify estate and gift tax provisions .....	.....	-16,904	-18,502	-20,139	-21,976	-24,043	-26,449	-29,053	-32,062	-35,071	-37,521	-224,179
Other revenue raisers:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Impose an oil fee <sup>13</sup> .....	.....	7,447	-14,320	-21,332	-28,075	-34,554	-40,832	-41,421	-41,830	-42,159	-42,439	-105,728 -314,409
Increase and modify Oil Spill Liability Trust Fund financing <sup>13</sup> .....	.....	-88	-120	-127	-135	-138	-146	-149	-155	-160	-162	-608 -1,380
Reintroduce Superfund taxes <sup>13</sup> .....	.....	-1,31	-1,889	-1,960	-2,004	-2,101	-2,130	-2,177	-2,209	-2,245	-2,288	-9,355 -20,428
Increase tobacco taxes and index for inflation <sup>13</sup> .....	.....	-9,882	-12,910	-12,715	-12,719	-12,829	-11,880	-11,438	-10,877	-10,399	-9,902	-60,655 -115,149
Make unemployment insurance surtax permanent <sup>13</sup> .....	.....	-1,186	-1,625	-1,645	-1,687	-1,687	-1,710	-1,732	-1,754	-1,779	-1,804	-7,810 -16,589
Total, other revenue raisers .....	.....	-20,134	-30,864	-37,779	-44,600	-50,909	-56,698	-59,115	-66,825	-74,742	-56,589	-184,186 -467,365
Reduce the tax gap and make reforms:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Expand information reporting:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Improve information reporting for certain businesses and contractors .....	.....	-14	-32	-54	-74	-77	-80	-84	-88	-92	-97	-251 -692
Provide an exception to the limitation on disclosing tax return information to expand TIN matching beyond firms where payments are subject to backup withholding .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Provide for reciprocal reporting of information in connection with the implementation of FATCA .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Require Form W-2 reporting for employer contributions to defined contribution plans .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Improve compliance by businesses:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Increase certainty with respect to worker classification .....	.....	-5	-102	-771	-1,046	-1,133	-1,226	-1,325	-1,430	-1,544	-1,663	-3,057 -10,245
Increase information sharing to administer excise taxes <sup>13</sup> .....	.....	-4	-9	-13	-14	-14	-15	-15	-16	-16	-17	-34 -133

## SUMMARY TABLES

**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017-2021	2017-2026	Totals
Provide authority to readily share information about beneficial ownership information of U.S. companies with law enforcement	.....	.....	-1	-2	-9	-6	-4	-3	-3	-3	-3	-18	-34	
Strengthen tax administration	.....	.....	22	46	63	72	79	83	89	94	101	-105	-232	-754
Modify the conservation easement deduction and pilot a conservation credit	.....	.....	352	473	481	493	510	533	561	594	635	-586	-2,309	-5,318
Impose liability on shareholders to collect unpaid income taxes of applicable corporations	.....	.....	-1	-2	-2	-2	-2	-2	-2	-2	-2	-9	-19	
Revise offer-in-compromise application rules	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Make repeated willful failure to file a tax return a felony	.....	.....	1	-1	-1	-1	-1	-1	-1	-1	-1	-2	-2	-10
Facilitate tax compliance with local jurisdictions	.....	.....	1	-1	-1	-2	-2	-2	-2	-2	-2	-2	-2	-17
Improve investigative disclosure statute	.....	.....	.....	.....	.....	-1	-1	-1	-1	-1	-2	-2	-2	-10
Allow the IRS to absorb credit and debit card processing fees for certain tax payments	.....	.....	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-20
Provide the IRS with greater flexibility to address correctable errors <sup>12</sup>	.....	.....	31	-62	-63	-62	-64	-66	-68	-70	-71	-73	-252	-630
Enhance electronic filing of returns	.....	.....	.....	.....	.....	-1	-1	-1	-1	-1	-2	-2	-2	-10
Improve the whistleblower program	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Index all civil tax penalties for inflation	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Combat tax-related identity theft	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Allow States to send notices of intent to offset Federal tax refunds to collect State tax obligations by regular first-class mail instead of certified mail	.....	.....	3	-5	-11	-12	-13	-13	-13	-13	-13	-14	-43	-109
Accelerate information return filing due dates <sup>12</sup>	.....	.....	-14	-31	-34	-37	-40	-44	-48	-52	-57	-62	-156	-419
Increase oversight of tax return preparers <sup>12</sup>	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Enhance administrability of the appraiser penalty	.....	.....	449	-766	-1,497	-1,828	-1,944	-2,073	-2,215	-2,372	-2,544	-2,732	-6,484	-18,420
Total, reduce the tax gap and make reforms	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Simplify the tax system:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Modify adoption credit to allow tribal determination of special needs	.....	.....	33	-55	-55	-53	-50	-46	-41	-36	-32	-29	-246	-430
Repeal non-qualified preferred stock designation	.....	.....	5	5	5	6	6	6	6	7	7	7	27	60
Reform excise tax based on investment income of private foundations	.....	.....	2	10	18	23	38	46	58	68	76	58	344	
Simplify arbitrage investment restrictions	.....	.....	1	3	5	7	10	12	17	20	22	16	97	
Simplify single-family housing mortgage bond targeting requirements	.....	.....	1	3	5	7	9	11	13	15	17	16	81	
Streamline private activity limits on governmental bonds	.....	.....	13	-20	-22	-24	-26	-28	-30	-32	-33	-35	-105	-263
Repeal technical terminations of partnerships	.....	.....	24	99	198	281	338	370	378	378	378	378	940	2,822
Repeal anti-churning rules of section 197	.....	.....	408	367	321	280	235	194	153	110	69	27	1,611	2,164
Repeal special estimated tax payment provision for certain insurance companies	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Repeal the telephone excise tax <sup>13</sup>	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	

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**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017– 2026 <sup>1</sup> Totals
<b>Increase the standard mileage rate for automobile use by volunteers</b>												
Consolidate contribution limitations for charitable deductions and extend the carryforward period for excess charitable contribution deduction amounts	.....	21	66	69	72	74	77	80	82	84	87	302
Exclude from gross income subsidies from public utilities for purchase of water runoff management	.....	96	52	5	6	6	505	1,221	1,878	2,478	169	6,247
Provide relief for certain accidental dual citizens	.....	63	108	58	24	25	26	28	29	30	32	.....
Total, simplify the tax system	.....	475	670	642	620	651	663	1,149	1,848	2,485	3,061	3,658
Trade initiatives:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	12,264
Enact the Trans-Pacific Partnership Trade Agreement. <sup>13</sup>	.....	1,556	2,171	2,408	2,665	2,989	3,235	3,525	3,831	4,186	8,800	26,516
Other initiatives:	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Allow offset of Federal income tax refunds to collect delinquent State income taxes for out-of-State residents	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Improve disclosure for child support enforcement.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Authorize the limited sharing of business tax return information to improve the accuracy of import and measures of the economy.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Eliminate certain reviews conducted by the U.S. Treasury Inspector General for Tax Administration (TIGTA)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Modify indexing to prevent deflationary adjustments	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total, other initiatives	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
<b>Total, tax proposals</b>	.....	163,795	253,495	276,235	289,018	298,422	290,757	299,968	300,683	304,534	307,560	.....
<b>Grand total, mandatory and receipt proposals</b>	.....	-150,322	-221,653	-241,242	-250,322	-272,224	-291,385	-301,259	-346,576	-143,62	-248,811	.....

Note: For receipt effects, positive figures indicate lower receipts. For outlay effects, positive figures indicate higher outlays. For net costs, positive figures indicate higher deficits.

<sup>1</sup> Based on placeholder credit subsidy rate. Actual approvals would be evaluated and estimated for each fund application individually.

<sup>2</sup> In the Fall of 2015, the President took action within his existing authority to implement eligibility expansions to income-based repayment plans proposed in the 2015 Budget. However, the Administration continues to seek to work with the Congress to create a unified, simple, and better targeted PAYE program.

<sup>3</sup>The estimates for this proposal include effects on receipts. The receipt effects included in the totals above are as follows:

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017– 2026 <sup>1</sup> Totals
<b>Reauthorize special assessment from domestic nuclear utilities</b>												
Create State option to provide 12-month continuous Medicaid eligibility for adults	.....	.....	-208	-212	-217	-222	-227	-232	-237	-243	-248	-254
Extend CHIP funding through 2019	.....	.....	-36	-73	-149	-156	-164	-169	-181	-189	-196	-1,086
Establish user fee for Electronic Visa Update System	.....	-176	-758	-801	-226	.....	.....	.....	.....	.....	.....	-2,300
Establish an AML hardrock reclamation fund	.....	-31	-25	-27	-31	-27	-31	-31	-34	-34	-28	-1,313
Increase coal AML fee to pre-2006 levels	.....	-200	-200	-200	-200	-200	-200	-200	-200	-200	-200	-1,861
Strengthen Unemployment Insurance (UI) system solvency	.....	-49	-50	-52	-53	-54	-54	-54	-54	-54	-54	-287
	.....	-3,556	-4,356	-3,846	-4,636	-5,273	-5,449	-5,752	-6,822	-7,832	-8,800	-258
	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	-47,572

## MID-SESSION REVIEW

## SUMMARY TABLES

**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017–2026
Moderne UI .....	.....	.....	.....	-502	-450	-400	-417	-400	-545	-574	-695	-1,352
Improve UI program integrity .....	.....	2	8	19	37	59	80	99	126	136	66	566
Implement cap adjustments for UI program integrity .....	.....	1	7	11	12	11	10	9	7	7	31	75
Create mandatory Reemployment Services and Eligibility Adjustment program .....	.....	.....	4	23	68	111	186	209	263	357	95	1,221
Implement tax enforcement program integrity cap adjustment .....	.....	-278	-1,585	-3,263	-5,098	-6,763	-8,327	-9,264	-9,590	-9,737	-9,814	-16,897
Reform inland waterways financing .....	.....	-3	-78	-118	-156	-186	-156	-156	-156	-155	-155	-511
Enact changes to the military retirement reform enacted in the 2016 National Defense Authorization Act .....	.....	63	92	101	114	131	144	158	174	190	370	1,167
Enact immigration reform .....	.....	-1,000	-7,000	-20,000	-30,000	-40,000	-45,000	-55,000	-64,000	-74,000	-84,000	-88,000
Total receipt effects of mandatory proposals .....	.....	-1,669	-12,452	-29,455	-40,762	-52,664	-59,684	-70,368	-80,226	-91,379	-102,384	-137,392
<sup>4</sup> Makes assumptions regarding the timing and magnitudes of future droughts in the SWPA region.												-541,263
<sup>5</sup> Health savings in Table S-2 includes all HHS health savings and OPM FEHBP savings.												
<sup>6</sup> Authorization expires in 2025.												
<sup>7</sup> Unemployment insurance reform also includes the proposal to make the unemployment insurance surtax permanent. On net, the package reduces the deficit by \$1.9 billion over 10 years.												
<sup>8</sup> Revenues are net of the 20 percent Treasury offset.												
<sup>9</sup> This proposal also saves less than \$500,000 in SSI over 10 years.												
<sup>10</sup> This proposal costs less than \$500,000 in each year and over five and 10 years.												
<sup>11</sup> Savings of \$1 million over five years and \$4 million over 10 years.												
<sup>12</sup> The estimates for this proposal include effects on outlays. The outlay effects included in the totals above are as follows:												
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017–2026
Expand and simplify the tax credit provided to qualified small employers for non-elective contributions to employee health insurance .....	14	16	16	14	11	14	11	9	8	2	2	71
Designate Promise Zones .....	7	9	10	10	12	12	12	13	14	14	15	48
Modify and permanently extend renewable electricity production tax credit and investment tax credit .....	77	217	656	1,269	2,336	1,671	574	1,695	2,117	2,629	4,555	13,241
Provide a carbon dioxide investment and sequestration tax credit .....	.....	.....	.....	.....	142	280	133	338	226	.....	142	1,109
Provide America First Forward Bonds and expand eligible uses .....	230	1,047	2,247	3,497	4,792	6,125	7,488	8,874	10,280	11,702	11,813	56,282
Allow eligible uses of America First Forward Bonds to include financing all qualified private activity bond program categories .....	49	221	475	742	1,020	1,307	1,639	1,884	2,192	2,492	2,507	11,991
Reform child care tax incentives .....	977	1,014	1,058	1,093	1,157	1,191	1,239	1,273	1,276	1,412	1,412	10,278
Simplify and better target tax benefits for education .....	4,392	4,542	4,492	4,674	5,089	5,282	5,698	5,885	6,100	6,434	6,434	45,906
Expand the EITC for workers without qualifying children .....	276	5,532	5,622	5,718	5,823	5,940	6,061	6,189	6,304	6,434	6,434	53,899

**Table S-8. MANDATORY AND RECEIPT PROPOSALS—Continued**  
 (Deficit increases (+) or decreases (-) in millions of dollars)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Totals	2017– 2021	2017– 2026
												2017– 2021	2017– 2026	
Simplify the rules for claiming the EITC for workers without qualifying children .....	24	484	476	481	492	503	516	528	541	552	566	4,596		
Provide a second-earner tax credit .....	.....	735	728	727	731	742	751	751	747	742	2,921	6,654		
Provide for automatic enrollment in IRAs, including a small employer tax credit, increase the tax credit for small employer plan start-up costs, and provide an additional tax credit for small employer plans newly offering auto-enrollment .....	.....	.....	127	196	204	210	217	223	223	224	230	737	1,854	
Provide the IRS with greater flexibility to address correctable errors .....	.....	-26	-53	-53	-52	-53	-55	-56	-58	-59	-60	-237	-525	
Accelerate information return filing due dates .....	.....	-1	-3	-6	-7	-7	-8	-8	-8	-8	-8	-24	-64	
Increase oversight of tax return preparers .....	.....	-2	-14	-15	-16	-17	-19	-20	-22	-24	-26	-64	-175	
Total outlay effects of receipt proposals .....	648	13,687	15,907	18,137	21,259	22,975	23,746	27,363	29,714	31,832	69,638	205,268		

<sup>13</sup> Net of income offsets.

**Table S-9. FUNDING LEVELS FOR APPROPRIATED (“DISCRETIONARY”) PROGRAMS BY CATEGORY**  
*(Budget authority in billions of dollars)*

(Budget authority in billions of dollars)

	Actual Enacted Request		Outyears										Totals	
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017-2021	2017-2026
<b>Discretionary Adjusted Baseline by Category:<sup>1</sup></b>														
Defense Category .....	521	548	561	549	562	576	590	600	676	692	709	727	2,828	6,292
Non-Defense Category .....	508	535	519	516	530	543	556	604	619	634	650	666	2,662	5,836
<b>Total, Base Discretionary Funding .....</b>	<b>1,030</b>	<b>1,083</b>	<b>1,070</b>	<b>1,065</b>	<b>1,092</b>	<b>1,119</b>	<b>1,146</b>	<b>1,264</b>	<b>1,295</b>	<b>1,327</b>	<b>1,359</b>	<b>1,392</b>	<b>5,490</b>	<b>12,128</b>
<b>Discretionary Policy Changes to Baseline Caps:</b>														
Proposed Cap Changes: <sup>2</sup>														
Defense Category .....	.....	.....	.....	.....	+35	+31	+23	+24	-36	-40	-44	-48	-53	+113 -108
Non-Defense Category .....	.....	.....	.....	.....	+36	+31	+23	+25	-14	-17	-20	-23	-26	+114 +14
Non-Defense Category Reclassifications:														
Surface Transportation Programs .....	-4	-4	-4	-4	-4	-5	-5	-5	-5	-5	-5	-5	-5	-23 -48
Program Integrity .....	.....	.....	.....	.....	-*	-*	-*	-*	-*	-*	-*	-*	-*	-1 -2
Contract Support Costs .....	.....	.....	.....	.....	-1	-1	-1	-1	-1	-1	-1	-1	-1	-5 -11
<b>Proposed Discretionary Policy by Category:</b>														
Defense Category .....	521	548	551	584	593	599	614	624	636	648	661	674	2,941	6,184
Non-Defense Category .....	504	531	514	546	555	560	574	584	596	608	620	633	2,748	5,789
<b>Total, Base Discretionary Funding .....</b>	<b>1,025</b>	<b>1,079</b>	<b>1,065</b>	<b>1,130</b>	<b>1,147</b>	<b>1,158</b>	<b>1,188</b>	<b>1,208</b>	<b>1,232</b>	<b>1,256</b>	<b>1,281</b>	<b>1,307</b>	<b>5,690</b>	<b>11,973</b>
<b>Discretionary Cap Adjustments and Other Funding (not included above):<sup>3</sup></b>														
Overseas Contingency Operations <sup>4</sup> .....	74	74	74	74	11	11	11	11	.....	.....	.....	.....	.....	118 118
Disaster Relief .....	7	7	7	7	.....	.....	.....	.....	.....	.....	.....	.....	7	7
Program Integrity .....	1	2	3	3	3	3	3	3	4	4	4	4	4	16 37
Wildfire Suppression .....	.....	1	1	1	1	1	1	1	1	1	1	1	1	6 13
Other Emergency/Supplemental Funding .....	5	2	*	*	.....	.....	.....	.....	.....	.....	.....	.....	*	*
<b>Total, Cap Adjustments and Other .....</b>	<b>87</b>	<b>84</b>	<b>84</b>	<b>15</b>	<b>15</b>	<b>16</b>	<b>16</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>147</b>	<b>174</b>
<b>Grand Total, Discretionary Budget Authority .....</b>														
Budget Authority .....	1,113	1,164	1,150	1,145	1,163	1,174	1,205	1,213	1,237	1,261	1,287	1,313	5,836	12,147

<i>Memorandum Current Law and Proposed Changes to Existing HBEDCA Caps</i>	2017	2018	2019	2020	2021	2018-2021
<i>Joint Committee Reductions .....</i>	N/A	-91	-90	-89	-88	-359
<i>2017 Budget Proposed Additions to Caps .....</i>	N/A	+71	+61	+66	+64	+257

**Table S-9. FUNDING LEVELS FOR APPROPRIATED (“DISCRETIONARY”)  
PROGRAMS BY CATEGORY—Continued**

(Budget authority in billions of dollars)

\* Less than \$50 million.

<sup>1</sup> The discretionary funding levels from OMB’s adjusted baseline are consistent with the caps in the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA) with separate categories of funding for “defense” (or Functions 050) and “non-defense” for 2016–2021. These baseline levels assume Joint Committee enforcement can reductions are in effect through 2021. For 2022 through 2026, programs are assumed to grow at current services growth rates with Joint Committee enforcement no longer in effect, consistent with current law. The levels shown here for the non-defense category do not include the reclassification of surface transportation programs shown later in the table.

<sup>2</sup> The 2017 Budget provides a detailed request for 2017 at the cap levels enacted in the Bipartisan Budget Act of 2015 and, after 2017, continues the framework of previous President’s Budgets by providing additional investments in both defense and non-defense programs above the baseline levels that include Joint Committee enforcement.

<sup>3</sup> Where applicable, amounts in 2015 through 2026 are existing or proposed cap adjustments designated pursuant to Section 251(b)(2) of BBEDCA. The 2017 Budget proposes new cap adjustments for program integrity and wildfire suppression activities. For 2018 through 2026, the cap adjustment levels for wildfire suppression are a placeholder that increase at the policy growth rates in the President’s Budget. The existing disaster relief cap adjustment ceiling (which is determined one year at a time) would be reduced by the amount provided for wildfire suppression activities under the cap adjustment for the preceding fiscal year. The amounts will be refined in subsequent Budgets as data on the average costs for wildfire suppression are updated annually.

<sup>4</sup> The 2017 Budget includes placeholder amounts of nearly \$11 billion per year for Government-wide OCO funding from 2018 to 2021. The placeholder amounts continue to reflect a total OCO budget authority cap from 2013 to 2021 of \$450 billion, in line with previous years policy, but do not reflect any specific decisions or assumptions about OCO funding in any particular year.

<sup>5</sup> Under Joint Committee enforcement, the current law defense and non-defense discretionary caps specified in BBEDCA are estimated to be reduced by a combined \$359 billion over 2018 through 2021. The 2017 Budget proposes to restore more than three-fifths of those reductions.

**Table S-10. FUNDING LEVELS FOR APPROPRIATED ("DISCRETIONARY") PROGRAMS BY AGENCY**  
 (Budget authority in billions of dollars)

	Actual Enacted Request										Outyears						Totals	
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2017-2026	2017-2026	2017-2026	2017-2026		
<b>Base Discretionary Funding by Agency:<sup>1</sup></b>																		
Agriculture .....	24.9	25.2	23.4	24.9	25.2	25.8	26.2	26.8	27.3	27.9	28.5	29.1	125.4	265.0				
Commerce .....	8.6	9.4	9.7	10.1	11.4	15.7	10.4	10.2	10.4	10.6	11.1	11.4	57.3	111.0				
Census Bureau .....	1.1	1.4	1.6	1.8	2.9	7.1	1.6	1.2	1.3	1.3	1.5	1.7	15.1	22.1				
Defense <sup>2</sup> .....	496.1	521.7	523.9	536.7	564.8	570.4	585.8	597.2	609.4	621.9	634.7	647.7	2,801.1	5,912.1				
Education .....	66.9	68.3	69.4	70.3	71.3	72.3	73.2	74.3	75.3	76.3	77.4	78.5	356.5	738.3				
Energy .....	27.4	29.6	30.2	30.1	32.2	34.0	35.8	36.5	37.2	38.0	38.7	39.5	162.4	382.4				
National Nuclear Security Administration <sup>3</sup> .....	11.4	12.5	12.9	11.9	12.4	12.6	13.0	13.3	13.5	13.8	14.1	14.4	62.8	131.8				
Health & Human Services <sup>4</sup> .....	80.3	84.6	77.6	88.7	90.7	92.5	94.3	96.2	98.2	100.1	102.1	104.1	437.2	98.1				
Homeland Security .....	39.9	41.1	40.6	41.8	42.6	43.3	44.0	44.9	45.8	46.7	47.6	48.5	212.2	445.6				
Housing and Urban Development .....	30.4	36.3	38.0	39.0	39.7	40.5	41.2	42.0	42.7	43.5	44.3	45.1	198.4	416.0				
Interior .....	12.2	13.2	12.9	13.0	13.2	13.5	13.7	14.0	14.3	14.6	14.9	15.2	66.3	139.3				
Justice .....	26.3	28.7	18.1	30.0	30.6	31.2	31.8	32.4	33.1	33.7	34.4	35.1	141.6	310.4				
Labor .....	11.9	12.2	12.8	12.8	13.1	13.3	13.5	13.7	14.0	14.2	14.5	14.7	65.4	136.6				
State and Other International Programs .....	40.9	37.9	37.8	46.5	47.4	48.3	49.2	50.2	51.2	52.2	53.2	54.3	229.1	490.3				
Transportation .....	13.8	14.3	12.0	14.7	15.0	15.3	15.6	15.9	16.2	16.6	16.9	17.2	72.6	185.5				
Treasury .....	12.2	12.6	12.6	13.6	13.9	14.2	14.5	14.8	15.1	15.5	15.8	16.2	68.7	146.1				
Veterans Affairs .....	65.1	71.6	75.1	78.5	79.4	81.0	82.6	84.3	86.0	87.7	89.4	91.2	366.7	835.2				
Corps of Engineers .....	5.6	6.0	4.6	4.7	4.8	4.9	5.0	5.1	5.2	5.3	5.4	5.5	24.0	50.5				
Environmental Protection Agency .....	8.1	8.1	8.3	8.4	8.6	8.8	8.9	9.1	9.3	9.5	9.7	9.9	43.0	90.5				
General Services Administration .....	-0.4	0.6	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	1.9	4.0				
National Aeronautics & Space Administration .....	18.0	19.3	18.3	18.6	19.0	19.4	19.8	20.2	20.6	21.0	21.4	21.8	95.0	200.0				
National Science Foundation .....	7.3	7.5	7.6	8.1	8.3	8.5	8.6	8.8	9.0	9.1	9.3	9.5	41.0	86.8				
Small Business Administration .....	0.9	0.9	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.9	3.7	7.8				
Social Security Administration <sup>5</sup> .....	9.0	9.3	9.6	9.8	10.1	10.5	10.7	10.9	11.1	11.3	11.5	11.7	50.7	107.0				
Corporation for National & Community Service .....	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.3	1.3	1.3	5.7	12.0				
Other Agencies .....	18.9	19.5	20.3	20.5	21.2	21.9	22.6	23.1	23.6	24.0	24.5	25.0	106.5	226.8				
Allowances <sup>6</sup> .....													24.6	72.9	-194.0			
<b>Subtotal, Base Discretionary Funding .....</b>	<b>1,025.4</b>	<b>1,079.1</b>	<b>1,065.2</b>	<b>1,130.2</b>	<b>1,147.4</b>	<b>1,158.4</b>	<b>1,188.4</b>	<b>1,207.8</b>	<b>1,231.7</b>	<b>1,255.5</b>	<b>1,281.4</b>	<b>1,307.3</b>	<b>5,639.6</b>	<b>11,973.2</b>				
<b>Discretionary Cuts, Adjustments and Other Funding (not included above):<sup>7</sup></b>																		
Overseas Contingency Operations .....	<b>73.7</b>	<b>73.7</b>	<b>73.7</b>	<b>11.0</b>	<b>117.6</b>	<b>117.6</b>												
Defense .....	64.2	58.6	58.8	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	58.8	58.8			
Homeland Security .....	0.2	0.2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....			
State and Other International Programs .....	9.3	14.9	14.9	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	14.9	14.9			
Overseas Contingency Operations Outyears <sup>8</sup> .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	43.9	43.9			

**Table S-10. FUNDING LEVELS FOR APPROPRIATED  
("DISCRETIONARY") PROGRAMS BY AGENCY—Continued**

(Budget authority in billions of dollars)

	Actual	Enacted Request:	Outyears						Totals				
			2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Program Integrity</b> .....	<b>1.5</b>	<b>1.5</b>	<b>2.5</b>	<b>2.8</b>	<b>3.2</b>	<b>3.5</b>	<b>3.8</b>	<b>4.0</b>	<b>4.1</b>	<b>4.2</b>	<b>4.3</b>	<b>4.4</b>	<b>15.8</b>
Health & Human Services .....	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	5.1
Labor .....	.....	.....	.....	*	.....	.....	.....	.....	.....	.....	.....	.....	*
Treasury .....	1.1	1.2	1.5	1.5	1.4	1.3	1.3	1.7	2.0	2.1	2.2	2.2	17.4
SSA .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	14.2
<b>Disaster Relief</b> .....	<b>6.5</b>	<b>7.1</b>	<b>6.9</b>	<b>.....</b>	<b>.....	.....	.....	.....	.....	.....	.....	.....	6.9</b>
Agriculture .....	0.1	0.1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Homeland Security .....	6.4	6.7	6.7	.....	.....	.....	.....	.....	.....	.....	.....	.....	6.7
Housing and Urban Development .....	0.3	0.2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	0.2
Small Business Administration .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	0.2
<b>Wildfire Suppression<sup>7</sup></b> .....	<b>.....</b>	<b>.....</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.3</b>	<b>1.3</b>	<b>1.4</b>	<b>1.4</b>	<b>6.0</b>
Agriculture .....	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	9.5
Interior .....	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	3.2
<b>Other Emergency Funding</b> .....	<b>5.4</b>	<b>2.1</b>	<b>0.2</b>	<b>.....</b>	<b>.....	.....	.....	.....	.....	.....	.....	.....	0.2</b>
Agriculture .....	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2
Defense .....	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Health & Human Services .....	2.8	2.5	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
State and Other International Programs .....	2.5	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Proposed Emergency Supplemental .....	1.7	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Health & Human Services .....	1.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
State and Other International Programs .....	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
<b>Grand Total, Discretionary Funding</b> .....	<b>1,112.5</b>	<b>1,163.5</b>	<b>1,149.6</b>	<b>1,145.2</b>	<b>1,162.7</b>	<b>1,174.0</b>	<b>1,204.5</b>	<b>1,213.1</b>	<b>1,237.0</b>	<b>1,261.0</b>	<b>1,287.0</b>	<b>1,313.0</b>	<b>5,836.1</b>
													<b>12,147.2</b>

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\* Less than \$50 million.  
† Amounts in the actual and enacted years of 2015 and 2016 exclude changes in mandatory programs enacted in appropriations bills since those amounts have been rebased as mandatory, whereas amounts in 2017 are net of these proposals.

<sup>2</sup> The Department of Defense (DOD) level in 2018–2026 include funding that will be allocated, in annual increments, to the National Nuclear Security Administration (NNSA). Current estimates by which DOD's budget authority will decrease and NNSA's will increase are, in millions of dollars: 2018: \$1,665; 2019: \$1,698; 2020: \$1,735; 2021: \$1,770; 2018–2026: \$16,263. DOD and NNSA are reviewing NNSA's outyear requirements and these will be included in future reports to the Congress.

<sup>3</sup> Funding from the Hospital Insurance and Supplementary Medical Insurance trust funds for administrative expenses incurred by the Social Security Administration that support the Medicare program are included in the Health and Human Services total and not in the Social Security Administration total.

<sup>4</sup> The 2017 Budget includes allowances, similar to the Function 920 allowances used in Budget Resolutions to represent amounts to be allocated among the respective agencies to reach the proposed defense and non-defense caps for 2018 and beyond. These levels are determined for illustrative purposes but do not reflect specific policy decisions.

<sup>5</sup> Where applicable, amounts in 2015 through 2026 are existing or proposed cap adjustments designated pursuant to Section 251(b)(2) of BBRDCA.

<sup>6</sup> The 2017 Budget includes placeholder amounts for nearly \$1 billion per year for Government-wide OCO funding from 2018 to 2021. The placeholder amounts continue to reflect a total OCO budget authority cap from 2013 to 2021 of \$450 billion, in line with previous years' policy but do not reflect any specific decisions or assumptions about OCO funding in any particular year.

<sup>7</sup> For 2018 through 2026, the cap adjustment levels are a placeholder that increase at the policy growth rates in the President's Budget. The existing disaster relief cap adjustment (which is determined one year at a time) would be reduced by the amount provided for wildfire suppression activities under the cap adjustment for the preceding fiscal year. Those amounts will be refined in subsequent Budgets as data on the average costs for wildfire suppression are updated annually.

**Table S-11. FEDERAL GOVERNMENT FINANCING AND DEBT**  
(Dollar amounts in billions)

	Actual 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Estimate
<b>Financing:</b>													
Unified budget deficit:													
Primary deficit (+)/surplus (-) .....	215	367	175	1	31	-17	-34	34	15	-37	19	46	
Net interest .....	223	233	266	329	396	453	497	538	578	612	646	685	
Unified budget deficit .....	438	600	441	330	427	436	463	572	593	575	665	731	
As a percent of GDP .....	2.5%	3.3%	2.3%	1.7%	2.1%	2.0%	2.1%	2.4%	2.4%	2.2%	2.5%	2.6%	
Other transactions affecting borrowing from the public:													
Changes in financial assets and liabilities: <sup>1</sup>													
Change in Treasury operating cash balance .....	40	101	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Net disbursements of credit financing accounts:													
Direct loan accounts .....	79	95	129	107	108	98	94	89	88	87	87	84	
Guaranteed loan accounts .....	9	12	4	-*	*	-2	-6	-7	-14	-13	-12	-6	
Troubled Asset Relief Program (TARP) equity purchase accounts .....	-1	*	-*	-*	-*	-*	-*	-*	-*	-*	-*	-*	
Net purchases of non-Federal securities by the National Railroad Retirement Investment Trust (NRRIT) .....	-1	-*	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	
Net change in other financial assets and liabilities .....	-228	203	132	106	107	94	87	80	74	76	74	77	
Subtotal, changes in financial assets and liabilities .....	-101	412	132	106	107	94	87	80	74	76	74	77	
Seigniorage on coins .....	-1	-*	-*	-*	-*	-1	-1	-1	-1	-1	-1	-1	
Total other transactions affecting borrowing from the public .....	-102	411	131	105	107	94	86	80	74	75	74	77	
Total, requirement to borrow from the public (equals change in debt held by the public) .....	337	1,011	572	435	533	530	549	652	667	649	738	808	
<b>Changes in Debt Subject to Statutory Limitation:</b>													
Change in debt held by the public .....	337	1,011	572	435	533	530	549	652	667	649	738	808	
Change in debt held by Government accounts .....	-11	321	120	226	187	165	139	79	81	102	32	*	
Change in other factors .....	6	-1	2	2	3	3	2	2	2	2	1	2	
Total change in debt subject to statutory limitation .....	332	1,331	693	663	723	687	690	732	750	754	772	810	
<b>Debt Subject to Statutory Limitation, End of Year:</b>													
Debt issued by Treasury .....	18,094	19,425	20,117	20,778	21,500	22,185	22,874	23,605	24,354	25,106	25,878	26,688	
Adjustment for discount, premium, and coverage <sup>3</sup> .....	19	19	21	22	23	25	26	27	28	29	29	30	
Total, debt subject to statutory limitation <sup>4</sup> .....	18,113	19,444	20,137	20,890	21,523	22,210	22,900	23,632	24,382	25,136	25,907	26,717	
<b>Debt Outstanding, End of Year:</b>													
Gross Federal debt: <sup>5</sup>													
Debt issued by Treasury .....	18,094	19,425	20,117	20,778	21,500	22,185	22,874	23,605	24,354	25,106	25,878	26,688	
Debt issued by other agencies .....	26	27	27	26	25	24	23	22	21	20	19	17	
Total, gross Federal debt .....	18,120	19,452	20,144	20,805	21,525	22,209	22,897	23,628	24,375	25,127	25,897	26,705	

**Table S-11. FEDERAL GOVERNMENT FINANCING AND DEBT—Continued**

(Dollar amounts in billions)

	Actual 2015	Estimate					
		2016	2017	2018	2019	2020	2021
<b>Held by:</b>							
Debt held by Government accounts .....	5,003	5,324	5,444	5,669	5,856	6,011	6,150
Debt held by the public <sup>4</sup> .....	13,117	14,128	14,700	15,135	15,668	16,198	16,747
As a percent of GDP .....	73.6%	77.0%	77.1%	76.0%	75.5%	74.8%	74.3%
<b>Debt Held by the Public Net of Financial Assets:</b>							
Debt held by the public .....	13,117	14,128	14,700	15,135	15,668	16,198	16,747
Less financial assets net of liabilities:							
Treasury operating cash balance .....	199	300	300	300	300	300	300
Credit financing account balances:							
Direct loan accounts .....	1,144	1,239	1,369	1,476	1,584	1,681	1,775
Guaranteed loan accounts .....	11	24	27	27	28	25	19
TARP equity purchase accounts .....	*	*	*	*	*	*	*
Government-sponsored enterprise preferred stock .....	106	106	106	106	106	106	106
Non-Federal securities held by NRRIT .....	24	23	22	21	20	19	18
Other assets net of liabilities .....	-250	-47	-47	-47	-47	-47	-47
Total financial assets net of liabilities .....	1,234	1,646	1,778	1,883	1,981	2,085	2,171
Debt held by the public net of financial assets .....	11,882	12,452	12,922	13,252	13,678	14,113	14,576
As a percent of GDP .....	66.7%	68.0%	67.8%	66.6%	65.9%	65.2%	64.4%

\* \$500 million or less.

<sup>1</sup>A decrease in the Treasury operating cash balance (which is an asset) is a means of financing a deficit and therefore has a negative sign; that is, the reduction in cash balances reduces the amount that would otherwise be borrowed from the public. An increase in checks outstanding (which is a liability) is also a means of financing a deficit and therefore also has a negative sign.

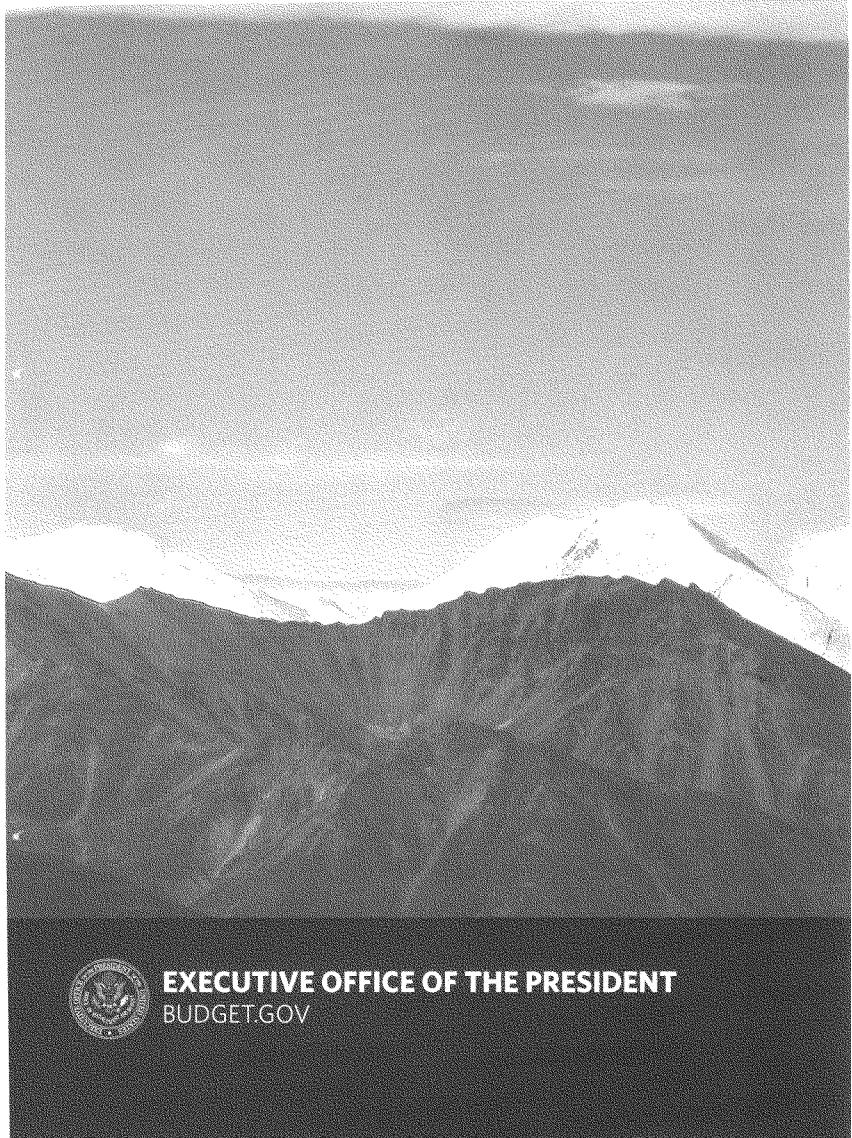
<sup>2</sup>Includes checks outstanding, accrued interest payable on Treasury debt, unvested deposit fund balances, allocations of special drawing rights, and other liability accounts; and, as an offset, cash and monetary assets other than the Treasury operating cash balance), other asset accounts, and profit on sale of gold.

<sup>3</sup>Consists mainly of debt issued by the Federal Financing Bank (which is not subject to limit). Treasury securities held by the Federal Financing Bank, the unauthorized discount (less premium) on public issues of Treasury notes and bonds (other than zero-coupon bonds), and the unrealized discount on Government account series securities.

<sup>4</sup>Legislation enacted November 2, 2015 (PL. 114-74), temporarily suspends the debt limit through March 15, 2017.

<sup>5</sup>Treasury securities held by the public and zero-coupon bonds held by Government accounts are almost all measured at sales price plus amortized discount or less amortized premium. Agency debt securities are almost all measured at face value. Treasury securities in the Government account series are otherwise measured at face value less unrealized discount (if any).

<sup>6</sup>At the end of 2015, the Federal Reserve Banks held \$2,461.9 billion of Federal securities and the rest of the public held \$10,654.8 billion. Debt held by the Federal Reserve Banks is not estimated for future years.



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